

Forest Hill Home Owners, Inc.

Code of Regulations

Article III Amended and Restated November 16, 2022
Articles I and II Amended and Restated November 10, 2021
Articles IV to VIII Amended and Restated November 30, 2004

Article I: Purpose and History of FHHO

Forest Hill Home Owners, Inc. (“FHHO”) was organized in 1950 to promote, safeguard and improve the property values in, and the general welfare of, the Forest Hill community. Forest Hill was developed by John D. Rockefeller, Jr. and New York architect Andrew J. Thomas as a harmonious village in an open park-like setting with gently curving streets and abundant trees on land that was once the beloved summer home of the Rockefeller family in Cleveland Heights and East Cleveland. Rockefeller instituted protective covenants that are included in the deeds of all Forest Hill homes. FHHO is empowered to enforce these deed provisions to honor the original intent of the Rockefeller family’s plan for Forest Hill to be a residential community whose high standards are guarded by restrictions designed to preserve and enhance property values. Every Forest Hill homeowner is both bound and protected by the covenants. A copy of these protective covenants is attached. A list of the addresses of all Forest Hill homes is also attached. The board of trustees of FHHO (the “board”) is authorized to update these attachments as the board in its sole discretion considers necessary.

Article II: Members of FHHO

2.1 Who is a Member? Every person who owns and occupies a deed-restricted home in Forest Hill is a member of FHHO. In addition, the spouse or unmarried partner of a member is also a member. The following provisions explain in additional detail FHHO membership requirements. The board has the sole discretion to address any question concerning membership and the eligibility of a member to vote.

2.1.1 Ownership Requirement. FHHO is a homeowner’s association and only homeowners can be members of FHHO (renting a Forest Hill home does not qualify the renter for membership). The Cuyahoga County real property records will be used to determine who is a homeowner. If a home is foreclosed upon or sold, the previous owner ceases to be a member. If an entity (such as a trust, limited liability company or corporation) is the owner of a Forest Hill home, then the individual majority owner or primary beneficiary of the entity is eligible for membership so long as he or she meets the other requirements for membership, including residency.

2.1.2 Residency Requirement. Only individuals who reside in a Forest Hill home can be members of FHHO. Residence requires that the individual occupy a Forest Hill home for more than half of the year, although any person who moves to Forest Hill and occupies their home is eligible for membership even if they have not yet lived in the home for six months. A bank,

finance company, rental company or similar entity cannot reside in and occupy a home and therefore is not eligible for membership.

2.1.3 *Deed-Restricted.* Only owners of deed-restricted homes can be members of FHHO. As a result, condominium owners are not eligible for membership.

2.1.4 *Additional Requirements.* Resident Forest Hill homeowners are automatically members of FHHO; there are no additional requirements for membership. Although FHHO is dependent on the financial support of its members, making a contribution is not required for membership.

2.2 Meetings of Members

2.2.1 *Annual Meeting.* FHHO will hold an annual meeting of its members for the election of trustees, the consideration of reports made at the meeting, and the transaction of any business properly proposed by the board, on the date established by the board. If the trustees are not elected at the annual meeting, then trustees may be elected at a special meeting called for that purpose.

2.2.2 *Special Meetings.* Special meetings of the members may be called at any time by: (a) the board, by action at a meeting or a majority of the trustees acting without a meeting; (b) the executive committee, by action at a meeting or a majority of the executive committee members acting without a meeting; (c) or voting members representing at least 250 Forest Hill homes. In addition, if FHHO has not held a meeting of its members for the election of trustees for more than 18 months, then a special meeting of the members may be called by voting members representing at least 25 Forest Hill homes.

2.2.3 *Place of Meetings.* The board will determine the location and manner of meetings of the members, which may be held at any place within Cleveland Heights or East Cleveland or solely or partly by means of authorized communications equipment. Authorized communications equipment means any communications equipment authorized by the board that allows all persons participating in the meeting to contemporaneously communicate with each other. If a meeting of the members is held solely by means of authorized communications equipment, then the board must provide for member participation by telephone in addition to any other equipment authorized by the board. A member who participates in a meeting by authorized communications equipment is considered to be present at the meeting for all purposes. The board may adopt procedures and guidelines for the use of authorized communications equipment.

2.2.4 *Quorum.* Voting members representing at least 25 Forest Hill homes present in person, or if permitted by the board, by the use of authorized communications equipment or written ballot, at any meeting of members shall constitute a quorum for the meeting.

2.2.5 *Adjournments.* The board may adjourn any meeting of the members other than a special meeting called by the members. If the board announces at the adjourned meeting the place, if any, and the time of a reconvened meeting, and the means, if any, by which the voting members can be present and vote at the reconvened meeting through the use of board authorized communications equipment, then notice need not be given of the reconvened meeting, so long as

the reconvened meeting is held within 30 days of adjournment. At the reconvened meeting, FHHO may transact any business which could have been transacted at the original adjourned meeting. If the adjournment is for more than 30 days, or if the adjourned meeting is a special meeting called by the members, then a notice of the reconvened meeting must be given to the members as required by Section 2.2.7. A majority of the voting members present at a special meeting called by the members, whether or not a quorum is present, may adjourn the meeting.

2.2.6 Conduct of Meeting. Meetings of the members will be presided over by an officer or trustee designated by the board prior to the meeting, or, if the board designee is not present at the meeting, by a person chosen by a majority of the board members present at the meeting. FHHO's secretary will act as secretary of the meeting and take minutes of the meeting. If the secretary is unable to attend the meeting, the board will designate a person to act as secretary for the meeting prior to the meeting. If the designated secretary is not present at the meeting, a majority of the board members present at the meeting will designate a person to act as secretary for the meeting.

2.2.7 Notice of Meeting. Written notice stating the place, if any, and the time of a meeting and the means, if any, by which the voting members can be present and vote at the meeting through the use of board authorized communications equipment, and, in case of a special meeting, the purpose or purposes for which the meeting is called, will be given to the members, not less than ten and not more than ninety days before the date of the meeting. The board will provide notice of an annual meeting. The party calling the meeting will provide notice of a special meeting. Notice provided by the board or executive committee must be provided by either: (a) mail or hand delivery to all Forest Hill homes (and may be included in a newsletter or similar communication); or (b) posting on FHHO's website and by email to all members for whom FHHO has an email address. Notice provided by members calling a meeting must be provided by mail or hand delivery to all Forest Hill homes.

2.3 Voting by Members

2.3.1 Voting by Members. Member voting rights are based on one vote per Forest Hill home. If more than one member resides in a home, then each member is eligible to cast the vote relating to that home, but all of the residents of the home collectively have a single vote. If only one member residing in a home casts a vote, then FHHO will assume that the vote was the result of agreement by all other members residing in the home. If multiple members residing in a home cast concurring votes, then one vote will be counted. If multiple members residing in a home cast conflicting votes, then none of the votes will be counted. Any member who is subject to a violation imposed by the board is not eligible to vote so long as the violation remains outstanding.

2.3.2 Voting at Meetings. The affirmative vote of a majority of the Forest Hill homes represented at a meeting at which a quorum is present is necessary for the authorization or taking of any action voted upon by the members at the meeting. The board will determine whether the vote is by written ballot or other method such as by voice or raised hand. A member is considered represented at a meeting for purposes of this section if the member attends in person, by board authorized communications equipment or by a board authorized written ballot.

2.3.3 *Action Without Meeting.* Any action that may be authorized or taken at a meeting of the members may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, voting members representing a majority of the homes in Forest Hill. Any transmission by board authorized communications equipment that contains an affirmative vote or approval of a voting member, such as an email, is a signed writing for purposes of this section.

2.3.4 *Proxies.* Members may not vote by proxy.

2.3.5 *Ballots.* In connection with any action voted upon by the members at a meeting, the board may, but is not required to, make written ballots available to members in advance of the meeting and allow members to vote by delivering the ballot to FHHO in the manner specified by the board in advance of or at the meeting.

2.3.6 *Vote Tabulation.* FHHO's secretary will tabulate the result of any member vote (whether at a meeting or action taken without a meeting) and a trustee designated by the board will confirm the result. After confirmation, the secretary will present the result to the board. If the secretary position is vacant or if the secretary is unable to tabulate the results of a member vote, the board will designate a person to act as the vote tabulator.

Article III: Board of Trustees

3.1 Authority of the Board. Except where the law, FHHO's articles of incorporation, or these regulations require that action be otherwise authorized or taken, all of the authority of FHHO is exercised by or under the direction of its board of trustees (referred to as "directors" under the Ohio nonprofit corporation law).

3.2 Number of Trustees. The number of trustees will be no fewer than nine or more than twenty-one, the specific number to be fixed solely by resolution of the board. The board may have an even number of trustees. No decrease in the number of trustees will have the effect of shortening the term of any incumbent trustee.

3.3 Term and Classification of Trustees

3.3.1 *Term of Trustees.* The term of each trustee is for two years, ending on the date of the second annual meeting of members following the meeting at which that trustee was elected, and until the trustee's successor is elected, or until the trustee's earlier resignation, removal from the board, or death. There is no limit on the number of terms a trustee may serve.

3.3.2 *Classification of the Board.* The board is divided into two classes designated Class A and B. The trustees are to be divided by the board between the two classes as equally as possible. If the number of trustees is increased or decreased, the board must reapportion the number of trustees in each class to be as nearly equal as possible. However, no reapportionment may shorten the term of any incumbent trustee.

3.3.3 *Initial Classification.* At the 2022 annual meeting of members, Class A trustees will be elected for a one-year term and Class B trustees for a two-year term.

3.4 Trustee Resignation, Removal and Vacancies

3.4.1 *Trustee Resignation.* A trustee may resign at any time by giving written notice to the chair of the board, president or the trustees. The resignation will take effect when the notice is received or at a later date specified in the notice. A verbal resignation is not effective until confirmed by the resigning trustee in writing.

3.4.2 *Trustee Removal.* A trustee may only be removed from office by the vote of a majority of the other trustees. A trustee who ceases to be eligible to serve as a trustee (for example, by selling the trustee's Forest Hill home) will immediately cease to be a trustee without being removed.

3.4.3 *Board Vacancies.* The resignation, cessation of eligibility, removal or death of a trustee creates a vacancy in the board. The members' failure at any time to elect the whole authorized number of trustees or a board resolution increasing the authorized number of trustees also creates one or more vacancies in the board. The remaining trustees, though less than a majority of the whole authorized number of trustees, may, by the vote of a majority of the remaining trustees, fill any vacancy in the board for the unexpired term.

3.5 Trustee Qualifications, Nomination and Election

3.5.1 *Board Eligibility.* To be eligible to serve on the board, a trustee candidate must: (a) be an individual at least eighteen years of age; (b) be a member of FHHO entitled to vote pursuant to Section 2.3.1; (c) have made the recommended financial contribution for the year in which they are running for the board; (d) have been properly nominated by a member pursuant to Section 3.5.3 or recommended by the board for election; and (e) have consented to serve on the board. A trustee is also required to make at least the recommended financial contribution to FHHO for each year in which they serve on the board. Only one person residing in a Forest Hill home may serve on the board at the same time (for example, spouses living together in a Forest Hill home may not both serve as trustees simultaneously).

3.5.2 *Trustee Qualifications.* In determining whether to recommend a trustee candidate for election or appointment to the board, the board will consider primarily the candidate's skills and experience, personal integrity, leadership, ability to work collaboratively with others, ability and willingness to devote their time and efforts to FHHO, and length of service. In addition, FHHO recognizes that it will best serve the Forest Hill community if the board reflects the rich diversity of Forest Hill. In determining whether to recommend a trustee candidate for election or appointment to the board, the board will seek to promote diversity with regards to the race, gender, age and city of residence of the trustees. No trustee candidate will be discriminated against based on the candidate's race, gender, age, ethnicity, religion, sexual orientation or identity, or disability.

3.5.3 *Trustee Nominations.* An eligible member who wishes to be considered for a trustee position must provide to FHHO's secretary (or in the absence of a secretary, the president) a written nomination including the information and by the deadline described below (a "nomination"). The nomination must include: (a) the nominee's name and Forest Hill address;

(b) a brief description of the nominee’s relevant skills and experience; (c) the nominee’s reasons for seeking a board seat; (d) a representation that the nominee intends to serve the full two-year term; (e) a representation that the nominee has read and agrees to adhere to FHHO’s articles of incorporation, code of regulations, and any other policies or guidelines applicable to trustees that have been posted to FHHO’s website; (f) a representation that the nominee acknowledges that trustees have a fiduciary duty to FHHO, that the nominee understands a trustee’s fiduciary duties, and that the nominee will exercise the nominee’s independent judgment if elected as a trustee; and (g) any other information reasonably requested by the board.

The board will use reasonable efforts to solicit trustee nominations from all members in advance of FHHO’s annual meeting of members and specify the nomination process and deadlines. However, an eligible member who wishes to be considered for a trustee position may also submit a nomination that is not solicited by the board. The deadline for submitting an unsolicited nomination is at least two months before the anniversary of the previous year’s annual meeting. For example, if the annual meeting was held on November 16, 2022, then the nomination deadline for 2023 would be September 16, 2023. If the annual meeting is to be held on a day that is more than one month before or after the anniversary of the previous year’s annual meeting, or if no annual meeting was held in the previous year, then the deadline for an unsolicited nomination is the tenth day following the first date the board provides notice of the annual meeting. All nominations must be received by the secretary (or president) on or before the applicable deadline to be valid. A member who has not complied with this section, unless compliance is waived by the board in the board’s sole discretion, is not eligible for election as a trustee.

3.5.4 *Board Recommendation.* The board will use reasonable efforts to publish on FHHO’s website at least ten days before the annual meeting of members: (a) the slate of trustee candidates that the board recommends for election; (b) biographical information about the candidates that the board recommends for election; and (c) the nomination of any trustee candidate eligible for election under Sections 3.5.1 and 3.5.3 who the board does not recommend for election.

3.5.5 *Board Election.* Trustees are elected to the board by the members of FHHO in connection with the annual meeting of members (or a special meeting called for the purpose of electing trustees pursuant to Section 2.2.2), other than trustees appointed to fill a vacancy in the board pursuant to Section 3.4.3. Trustees are elected by a plurality of the votes cast by the members. For example, if ten trustee candidates are running for nine board seats, then the nine trustees who receive the greatest number of votes will be elected to the board. Members may not cumulate votes in the election of trustees.

3.5.6 *Chair of the Board.* The board may, but is not required to, appoint one or more trustees to serve as chair or co-chairs of the board (the “*chair*”). The chair is responsible for coordinating the activities of the board and other duties assigned by this code of regulations or the board. The chair may not also serve as the president of FHHO. The chair may be removed by the board.

3.6 Trustee Compensation, Expenses and Interested Transactions

3.6.1 *Compensation and Expenses.* Trustees serve as board members and on committees without compensation. However, a trustee is not precluded from serving FHHO in any other capacity and receiving compensation for services in that capacity. Trustees are entitled to reimbursement for expenses reasonably incurred on behalf of FHHO.

3.6.2 *Interested Transactions.* FHHO may enter into a contract, agreement or transaction (an “*interested transaction*”) with one or more of its trustees or officers, or any other person or entity in which one or more of FHHO’s trustees or officers have a financial or personal interest (an “*interested party*”), if, and only if, the board authorizes the interested transaction as provided for in this Section 3.6.2. The material facts as to the interested party’s relationship or interest in the interested transaction must be disclosed to the trustees who are not interested parties (the “*disinterested trustees*”). If the disinterested trustees determine that the interested transaction is reasonably justified by the material facts and fair to FHHO, then the interested transaction may be authorized by the affirmative vote of a majority of the disinterested trustees, even if the disinterested trustees constitute less than a quorum of the entire board. Interested trustees may be counted in determining the presence of a quorum at a meeting of the board at which an interested transaction is authorized.

3.7 Board Meetings, Actions and Voting

3.7.1 *Meetings.* The board must meet at least twice a year. Meetings of the board will be held at the times and locations determined by the board. Meetings of the board may be called by the chair, president or a majority of the trustees.

3.7.2 *Participation by Communications Equipment.* Meeting of the board may be held solely or partly by means of authorized communications equipment. Authorized communications equipment means any communications equipment agreed to by a majority of the trustees that allows all trustees participating in the meeting to contemporaneously communicate with each other. A trustee participating in a meeting by authorized communications equipment is considered to be present in person at the meeting.

3.7.3 *Notice of Meetings.* The person or persons calling a board meeting must provide all trustees with notice of the meeting at least 48 hours before the meeting. The notice must state the meeting’s time, place and/or authorized communications equipment. The notice need not state the purposes of the meeting and, unless indicated in the notice, any board business may be transacted at a meeting. Notice must be given either by delivery to the trustee’s home in Forest Hill, in person, by telephone, authorized communications equipment, email, or by other means of electronic transmission agreed to by the trustee.

3.7.4 *Adjourned Meetings.* A majority of the trustees present at any meeting of the board, whether or not a quorum is present, may adjourn and reconvene the meeting to another time and place. Notice of a reconvened meeting need not be given if the time and place of the reconvened meeting are fixed and announced at the adjourned meeting at which a quorum is present. Otherwise, at least 24 hours’ notice of any reconvened meeting of the board must be given to

each trustee, whether or not present at the time of the adjournment, by any of the methods specified in Section 3.7.3 above. Any business may be transacted at a reconvened meeting that could have been transacted at the adjourned meeting as originally called.

3.7.5 *Waiver of Notice.* Any trustee entitled to notice of a meeting may waive notice either before or after the meeting. A trustee's attendance at any meeting constitutes a waiver of notice of the meeting unless the trustee protests prior to or at the commencement of the meeting that proper notice was not given.

3.7.6 *Organization of Meetings.* The chair or, in his or her absence, another trustee or officer selected by the board, will preside over meetings of the board. FHHO's secretary or, in his or her absence, another trustee or officer selected by the board, will act as secretary of the meeting and take minutes of the meeting. However, the board may enter into executive session during which time minutes will not be taken. Only trustees and individuals invited by the board may attend board meetings. The board may adopt additional procedures governing the organization of meetings.

3.7.7 *Quorum and Action of Trustees.* A majority of the total authorized number of trustees is necessary to constitute a quorum and to conduct business at a meeting of the trustees, except that a majority of the trustees in office constitutes a quorum for filling a vacancy in the board. The vote of a majority of the trustees present at a meeting at which a quorum is present is the act of the board, unless the vote of a greater number is required by FHHO's articles of incorporation, these regulations or any other procedures adopted by the board. Voting at trustee meetings will be by voice unless a majority of the trustees present request a written ballot. Trustees may not vote by proxy.

3.7.8 *Action by Trustees Without a Meeting.* Any action required or permitted to be taken at a meeting of the board or any board committee may be authorized or taken without a meeting with the affirmative vote or approval of all the trustees in a signed writing or writings. An email, or an electronic or other transmission capable of authentication that appears to have been sent by a trustee and that contains an affirmative vote or approval of that person is a signed writing for the purposes of this section. The date on which the transmission is sent is the date on which the writing is signed.

3.8 Board Committees

3.8.1 *Committee Creation and Authority.* The board may designate one or more standing or special committees. Any board committee, to the extent permitted by applicable law, may exercise all the powers and authority of the board in the management of FHHO to the extent authorized by the board. The purpose and authority of any committee will be defined by the board by resolution or committee charter.

3.8.2 *Committee Members.* Each committee will consist of one or more trustees appointed by the board. The board may also appoint committee members who are not trustees, but non-trustee committee members may not vote on committee matters. A committee may appoint additional committee members, but committee-appointed members may not vote on committee matters

unless the appointment is confirmed by the board. The board may remove a committee member at any time. The board may, but is not required to, appoint one or more trustees to serve as chair or co-chairs of a committee. If the board does not appoint a committee chair, the committee may elect a trustee committee member to serve as committee chair.

3.8.3 *Committee Meetings, Actions and Voting.* Unless the board provides otherwise, at all meetings of a committee, a majority of the then trustee appointed members of the committee constitutes a quorum for the transaction of business, and the vote of a majority of the voting members of the committee present at any meeting at which there is a quorum is the act of the committee. Each committee will keep regular minutes of its meetings. Unless the board provides otherwise, each committee designated by the board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of committee-adopted rules and procedures, each committee will conduct its business in the same manner as the board conducts its business pursuant to this Article III.

Article IV: Executive Officers

The board of trustees will appoint annually a president, senior vice-president, vice-president of membership, treasurer and secretary to serve as FHHO's executive officers. Officers must be dues paying members of FHHO. Compensation of the officers, if any, must be approved by the board of trustees.

The *president* is FHHO's chief executive officer. The president will preside at all meetings of the members and the executive committee. The president may not also serve as FHHO's chairperson.

The *senior vice-president* will assist the president and perform all the duties of the president in his or her absence.

The *vice-president of membership* is responsible for welcoming new residents, communicating with members and encouraging member participation in FHHO and the Forest Hill community.

The *treasurer* is FHHO's chief financial officer. The treasurer is responsible for receiving and maintaining all funds and other assets belonging to FHHO and will disburse and maintain them as authorized by the board of trustees.

The *secretary* is responsible for keeping minutes of all the proceedings of the members and trustees and maintaining the corporate record book. The secretary will also maintain a record of the names and contact information of the members, trustees and officers.

Article V: Term of the Corporation

The term of existence of FHHO is perpetual, but FHHO may be dissolved by the action of its members or, in some cases, trustees, as provided in the Ohio nonprofit corporation law. The board of trustees will be responsible for winding up FHHO upon dissolution, and may make

charitable donations of assets in furtherance of FHHO's purposes. Assets that are not donated will be liquidated. Following payment of all of FHHO's debts, all remaining cash will be distributed pro rata to the current dues paying members.

Article VI: Administration of Funds

FHHO is primarily supported by the voluntary contributions of its members. The executive committee will set the recommended contribution for members annually. FHHO may also accept gifts of cash or other property and administer them in accordance with any conditions that the donor may impose if the conditions are within the powers of the corporation.

The board of trustees and/or executive committee may invest FHHO's funds, expend FHHO's funds to care for FHHO's property and to further FHHO's stated purposes, and to settle any claims on behalf of or against FHHO, each as the board and/or committee considers appropriate.

Article VII: Indemnification

To the maximum extent permitted under the Ohio nonprofit corporation law, FHHO must indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed civil, criminal, administrative or investigative action, suit or proceeding, other than an action by FHHO on its own behalf, because he or she is or was a trustee, officer, employee, agent or volunteer of FHHO, and FHHO must pay all expenses, including attorneys' fees, actually and reasonably incurred by the person in defending the action in advance of its final disposition as provided for in the Ohio nonprofit corporation law.

Article VIII: Amendments

These regulations may be amended or repealed by the majority vote of the members at any meeting of members, provided that notice of the meeting must state in substance the nature of the revisions to be made.

* * *