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OR Book 1553 Page 1160 - 1174

TRANSFER
NOT NECESSARY

OCT 15 2010

John A. Shetler, Jr.
County Auditor, Fairfield County, Ohio

AFFIDAVIT FOR RECORDING OF ASSOCIATION'S BY-LAWS

Undersigned David A. Dye, being first duly sworn and cautioned, hereby deposes, states and testifies as follows:

1. He is an individual, resident in the State of Ohio, over the age of 18 and competent to testify to the matters contained herein of his own personal knowledge;
2. He is the authorized agent of Preston Trails Homeowners' Association, Inc. ("Association"), an Owners' Association for a Planned Community, as such terms are defined in Chapter 5312 of the Ohio Revised Code. The Association was in existence prior to September 10, 2010 & the attached document, was in existence prior to July 1, 2009.
3. The attached document is a true and exact copy of the By-Laws (as such term is defined at ORC 5312.01(B)) for the Association, as of the date hereof;
4. This Affidavit and the attached document are being recorded to satisfy the requirements of ORC 5312.02.

FURTHER AFFIANT SAITH NAUGHT

David A. Dye

STATE OF OHIO :
COUNTY OF FRANKLIN : ss

Sworn to and subscribed before me, a Notary Public in and for said County and State, this 14th day of October, 2010 by David A. Dye, personally known to me, who acknowledged the execution hereof to be his free act and deed for the purposes stated herein.

NOTARIAL SEAL STATE OF OHIO

Karl Roberts
Notary Public, State of Ohio
My Commission Expires 09-17-2014

NOTARY PUBLIC

This instrument prepared by David A. Dye, Esq.

CODE OF REGULATIONS

OF

PRESTON TRAILS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND PURPOSE

Section 1.01. The name of this Ohio nonprofit corporation is Preston Trails Homeowners' Association, Inc. (the "Association").

Section 1.02. The purposes for which the Association is formed are generally, to serve as a "homeowners association" as that term is defined in Section 528 of the United States Internal Revenue Code 1986 as now in effect and as may be amended from time to time (the "Code") and to that end to hold title to, or easements over, land currently within the Preston Trails Subdivision, and all other property at any time added to the Preston Trails Subdivision and made subject to any recorded deed restrictions for this Association, for common purposes, including but not limited to retention/detention areas and/or landscape entry areas, to maintain and administer such land and common areas in accordance with the plat(s) of Preston Trails Subdivision; to enforce (as determined prudent) all restrictions of record for Preston Trails Subdivision, (the "Restrictions") and any other plats, amendments or restrictions of record which make property subject to the Restrictions, or the Association, including property which may be added in the future.

In carrying out the foregoing purposes, the Association may purchase, lease, exchange, acquire, own, hold, mortgage, pledge, hypothecate, borrow money upon, sell and otherwise deal in and with real and personal property of every kind, character and description whatsoever and all estates and interests therein, and otherwise may engage in any lawful act or activity for which corporations may be formed under Chapter 1702 of the Revised Code of Ohio. The foregoing purposes shall be accomplished on a nonprofit basis, and no part of the net earnings of the Association shall inure to the benefit of any private person, firm, corporation, association or

organization, except that the Association may pay reasonable compensation for services provided to or for the benefit of the Association.

ARTICLE II

MEMBERS AND VOTING

Section 2.01. Each owner of a fee simple interest in a lot in the Development is a Member of the Association (hereinafter a "Member"). The membership of each owner shall terminate when the owner ceases to own an undivided fee simple interest in a lot, and upon the sale, transfer or other disposition of each undivided fee simple interest in a lot; membership in the Association which is appurtenant to that interest shall automatically be transferred to the new owner(s) of the interest. No member may otherwise terminate his or her membership in the Association or sever that membership interest.

Section 2.02. Except as provided herein or in the Restrictions, on any question for which the vote of Members is permitted or required, the owner or owners of each lot in the Development shall be entitled to exercise one vote for each such lot that he, she or they own, *provided however*, that until the Turnover Date (as defined in the Declaration), all voting power of the Association's members shall be exercised by the Declarant/Developer, or its successors and assigns. If two or more persons own undivided interests in a dwelling lot as fiduciaries, tenants in common or otherwise, such persons shall only be entitled to one vote with respect to the lot, which vote shall be exercised, if at all, as a single unit and not by percentages of interest.

Section 2.03. Fiduciaries and minors who are owners of record of a lot or lots may vote their respective interests as Members. If two or more persons own undivided interests in a dwelling lot as fiduciaries, tenants in common or otherwise, such persons shall be entitled to one vote with respect to a lot, which vote shall be exercised, if at all, as a single unit and not by percentages of interest. If more than one of such owners attends a meeting, acts in voting by mail or executing consents, a majority of those voting may act for the owners of the lot. If only one such person attends a meeting, votes or executes a consent, then that person may act for all.

Section 2.04. A corporation which is a Member of the Association may exercise its right to vote by any officer, and any such officer shall conclusively be deemed to have authority to vote and to execute any proxies and written waivers and consents relative thereto, unless, before a vote is taken or a consent or waiver is acted upon, it shall be made to appear by a certified copy of the regulations or bylaws or of a resolution adopted by the board of directors or board of trustees of said corporation that such authority does not exist or is vested in some other officer or person. A partnership which is a Member of the Association may exercise its right to vote only by a partner or agent thereof specifically designated in a written document executed by all partners of the partnership and delivered to the secretary of the Association before a vote is taken or a consent or waiver is acted upon.

Section 2.05. At meetings of the Members or otherwise, any Member entitled to vote or take action may be represented and may vote or take action by a proxy or proxies appointed by an instrument in writing. Each such instrument shall be filed with the secretary of the meeting before the person holding the proxy shall be allowed to vote thereunder at the meeting or with the Secretary of the Association before the person holding the proxy may take action thereunder without a meeting. No proxy shall be valid after the expiration of eleven (11) months from its date of execution unless the Member executing it shall have specified therein the length of time that it is to continue in effect.

Section 2.06. A Member's voting rights shall be suspended during any time period that such Member has delinquency with the Association. For purposes hereof, a member shall be deemed to have a delinquency during any time period that such Member has an outstanding sum payable to the Association which sum has not been paid, and which remains unpaid beyond the date on which such payment became due and payable.

ARTICLE III

MEETINGS OF MEMBERS

Section 3.01. After the Turnover Date, an annual meeting of the voting Members for the election of trustees, for the consideration of reports to be made at the meeting and for the transaction of such other business as may properly come before the meeting should be held on the last Monday in March of each year, or on such other date within 60 days prior thereto or thereafter, as may be designated by the Board of Trustees of the Association (the "Board of Trustees" or the "Board") from time to time. Prior to the Turnover Date, no meetings shall be required.

Section 3.02. Special meetings of the Members may be called by the President, by a majority of the Trustees acting with or without a meeting, or by Members entitled to exercise not less than ten percent (10%) of the total voting power of the Members. Upon delivery of a request in writing to the President or Secretary of the Association by persons entitled to call such a meeting, it shall be the duty of the President or Secretary to give notice to the Members in accordance with this Code of Regulations, but if such request is refused, then the persons making the request may call a meeting by giving the notice.

Section 3.03. All meetings of Members shall be held at such places as may be specified by the Board of Trustees or the persons calling the meeting.

Section 3.04. A written or printed notice of every meeting of members, whether annual or special, stating the time, place and purpose or purposes for which the meeting is called, shall

be given by the President or Secretary of the Association by personal delivery or by mail not more than sixty (60) nor less than ten (10) days before the meeting, to each Member entitled to notice thereof. If mailed, such notice shall be addressed to the Member at his or her address as it appears on the records of the Association. The Association shall have no obligation to perform research or investigations beyond its records to ascertain the identity or the address of any Member. If a meeting is adjourned to another time or place, no further notice of the adjourned meeting need be given if the time and place to which it is adjourned are fixed and announced at the meeting. In the event of a transfer of ownership of a lot after notice has been given and prior to the holding of the meeting, it shall not be necessary to serve notice on the transferee. The Board of Trustees may set a record date for the determination of the Members who are entitled to receive notice of or to vote at any meeting of members, which record date shall not be earlier than forty-five (45) days preceding the meeting. If no record date is fixed therefor, the record date for determining the Members who are entitled to receive notice of or who are entitled to vote at a meeting of Members shall be the business day next preceding the day on which notice is given or the meeting is held, as the case may be. In any case where a person's or entity's right to vote is questioned or disputed, the person wishing to vote shall have the burden or proving his, her or its right to vote.

Section 3.05. Notice of the time, place and purpose or purposes of any meeting of Members may be waived in writing either before or after the holding of the meeting by any Member, which writing shall be filed with or entered upon the records of the meeting. The attendance of a Member at any meeting in person or by proxy without protesting the lack of proper notice prior to or at the commencement of the meeting shall be deemed to be a waiver by that Member of notice of the Meeting.

Section 3.06. A quorum for any meeting of Members shall be that number of Members who are entitled to vote who are present in person or represented by proxy at a meeting, and except as hereinafter provided, all actions shall be taken upon the majority vote of all Members present, in person or by proxy, provided that no action required by law, the Restrictions, the Articles, or this Code of Regulations that must be authorized or taken by those Members exercising not less than a designated percentage of the total voting power may be authorized or taken by a lesser percentage. Those Members entitled to vote who are present in person and represented by proxy at a meeting may adjourn the meeting from time to time, and at the adjourned meeting any business may be transacted as if the meeting has been held as originally called. Voting by absentee ballot shall be permitted, only at meetings for which such availability has been designated in the meeting notice; and at any meeting for which absentee ballots are permitted, the number of absentee ballots cast shall be included only in the calculation of votes for determining the passage or non-passage of matters submitted to a vote, but such number shall not be included in calculating the quorum, or the number of votes necessary to adjourn or continue such meeting.

Section 3.07. The order of business of any meeting of Members shall be determined by the presiding officer, unless otherwise determined by a vote of those Members entitled to

exercise not less than a majority of the voting power of the Members present in person or represented by proxy at the meeting. The Association shall, generally, proceed in accordance with Roberts' Rules of Order, provided that the failure to follow such rules shall not invalidate any action taken unless such failure results in a materially prejudicial consequence (the burden of proving the material and prejudicial nature of the failure/consequence, is on the person challenging the action so taken).

Section 3.08. At all elections of Members of the Board of Trustees the candidates receiving the greatest percentage of the votes cast shall be elected. All other questions shall be determined by the vote of those Members entitled to exercise not less than a majority of the voting power of the Members present in person or represented by proxy at a meeting unless for any particular purpose the vote of a greater percentage of the voting power of all Members is required by law, the Articles, this Code of Regulations or otherwise.

Section 3.09. Any action which may be authorized or taken at a meeting of Members may be authorized or taken without a meeting in a writing or writings signed by Members exercising a majority of the voting power of all Members or such greater proportion thereof as the Articles, this Code of Regulations, the deed restrictions or any provision of law may otherwise require. Said writing or writings shall be filed with or entered upon the records of the Association. Any vote which may be taken at a meeting of Members may also be conducted by mail. In that event ballots shall be mailed to all persons and entities who are Members of the Association at the time of the mailing and approval shall be required from a majority of the voting power of all Members or from such greater (or lesser, in the case of electing Members of the Board of Trustees) proportion thereof as the Articles, this Code of Regulations, the deed restrictions or any provision of law may otherwise require. Adequate records of the manner and results of each vote conducted by mail shall also be filed with or entered upon the records of the Association.

ARTICLE IV

BOARD OF TRUSTEES

Section 4.01. Subject to such limitations as have been or may hereafter be imposed by the restrictions, the Articles or this Code of Regulations, as any of the same may be lawfully amended from time to time, all power and authority of the Association shall be vested in and exercised by a Board of Trustees consisting of three (3) persons. Said persons shall manage and conduct the business and affairs of the Association and exercise the powers and duties established by the restrictions, the Articles and this Code of Regulations until they resign, or until their successors are elected and qualified. Members of the Board of Trustees need not be Members of the Association. Trustees shall be elected at the regular annual meeting of Members of the Association or at special meetings called for that purpose. Each Trustee who is elected

shall serve for a term of two (2) years and until his or her successor is elected and qualified, or until he or she resigns. Trustees' terms shall be staggered. At the meeting held on the Turnover Date, three (3) Trustees shall be elected. The two (2) Trustees receiving the highest number of votes shall serve two (2) year terms, concurrently; the other elected Trustee shall serve a one (1) year term. At each subsequent Annual Meeting, the Members shall re-elect or elect new Trustees, as applicable, to refill or replace the positions of the Trustee(s) whose term(s) expire in that year. Any Trustee may be removed at a special meeting of the Members of the Association called for that purpose by the affirmative vote of those Members entitled to exercise not less than seventy-five percent (75%) of the voting power of all Members (including voting by proxy and/or absentee ballot, if applicable).

Section 4.02. Candidates for election as Trustees may be selected by a Nominating Committee if one is formed in accordance with Section 5.05 of Article V hereof. Candidates may also be nominated from the floor of any meeting held for the purpose of electing a Trustee of Trustees. The Nominating Committee (if applicable) may nominate as many candidates as it wishes, provided that in combination with nominations received from the floor at the election meeting, the Association shall nominate not less than the number of Trustees to be elected.

Section 4.03. If any Member of the Board vacates membership on the Board as a result of death, resignation or any other act or reason, the remaining Members of the Board may elect a new Trustee to fill the vacancy. If the remaining Trustees cannot agree upon a person to fill the vacancy within sixty (60) days after such vacancy is created, said remaining Trustees shall call a special meeting of the Members of the Association to fill the vacancy, such meeting to be held within ninety (90) days after the vacancy is created. Any Trustee appointed or elected to fill a vacancy shall hold office for the unexpired term of the Trustee he or she succeeds and until his or her successor is elected and qualified, or until he or she resigns.

Section 4.04. The Board of Trustees shall hold such meetings from time to time as it deems necessary, and such meetings as may be called by the President from time to time. Meetings shall be held at such place as the President or a majority of the Trustees may determine, or by joint telephone connection if so requested by the President or a majority of the Trustees. Board of Trustees meetings may be open to the Members of the Association in the discretion of the Board of Trustees, provided that the Board shall not be required to make special equipment available, or make other accommodations that might be necessary for any individual or group of Members to attend a Board of Trustees meeting, and absent the consent of the Trustees at the meeting, non-Trustee Members of the Association shall have no right to participate in any discussion at the meeting.

Section 4.05. The President or Secretary shall cause telegraphic or written notice of the time and place of all meetings of the Board of Trustees, regular and special, to be duly served upon or sent to each Trustee not less than two (2) nor more than twenty (20) days before the meeting, except that a regular meeting of the Board may be held without notice immediately after the annual meeting of the Members of the Association at the same place as the annual

meeting was held for the purpose of electing or appointing officers for the ensuing year and for the transaction of such other business as may properly come before said meeting. No notice of adjourned meetings need be given. Notice of the time and place of any meeting of the Board may be waived by any Trustee in writing either before or after the holding of the meeting, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Trustee at any board meeting without protesting the lack of proper notice prior to or at the commencement of the meeting shall be deemed to be a waiver by him or her of notice of the meeting.

Section 4.06. At all meetings of the Board of Trustees a majority of the Members thereof shall constitute a quorum, but less than a quorum may adjourn a meeting from time to time, and at adjourned meetings any business may be transacted as if the meetings had been held as originally called. The act of a majority of the Trustees present at any meeting at which there is a quorum shall be the act of the Board, except as otherwise required by law, the restrictions, the Articles or this Code of Regulations. Attendance at a meeting of the Board of Trustees may be in person, or by means of any technology which enables full communication among the Trustees (i.e. any person attending "remotely" must be able to hear, to be heard, and if necessary for the consideration of matters being discussed, able to see or receive documents and/or other physical or visual materials).

Section 4.07. Members of the Board of Trustees shall not receive any compensation for their services as such, but any Trustee may serve the Association in any other capacity and may receive compensation therefor, subject to the requirements and limitations of Article Seven of the Articles.

Section 4.08. Any action which may be authorized or taken at a meeting of the Board of Trustees may be authorized or taken without a meeting in a writing or writing signed by all of the Trustees, which writing or writings shall be filed with or entered upon the records of the Association.

Section 4.09. The Board of Trustees may employ or engage the services of a manager or managing agent and such other persons, firms or corporations as it deems necessary or advisable in order to perform the duties imposed upon it, and may pay such compensation as it determines. The Board may delegate to any such manager, managing agent, person, firm or corporation such administrative or ministerial duties as it determines.

ARTICLE V

OFFICERS AND COMMITTEES

Section 5.01. The officers of the Association shall be a President, a Secretary, a Treasurer and such other officers as may be elected. All officers shall be elected by the Board of Trustees and the President must be a Member of the Board. Officers need not be Members of the

Association, and Officers who are neither Trustees nor Members of the Association may be paid such compensation as the Board may determine. Officers shall hold office at the pleasure of the Board and any two or more offices may be held by the same person.

Section 5.02. It shall be the duty of the President to preside at all meetings of Members of the Association and the Board of Trustees, to exercise general supervision over the affairs of the Association and in general to perform all duties incident to the office or which may be required by the Members or the Board. If one is appointed, it shall be the duty of a Vice President to perform the duties of the President in the event of his or her absence or disability and such other duties as may be assigned to him or her by the Board. If no Vice President is appointed, the Board shall designate at each meeting at which the President is absent or disabled, the person who shall fulfill the President's duties.

Section 5.03. It shall be the duty of the Secretary to keep or cause to be kept under his or her supervision an accurate record of the acts and proceedings of the Members and the Board of Trustees, including records of the names and addresses of the Members. The Secretary shall further perform all duties incident to the office and such other duties as may be required by the Members or the Board. Upon the expiration or termination of his or her term of office, the Secretary shall deliver all books, records, documents and other property of the Association in his or her possession or control to his or her successor or to the President.

Section 5.04. The Treasurer shall receive and safely keep all money, securities and other intangible property belonging to the Association, or evidence thereof, and shall disburse the same under the direction of the Board of Trustees; shall keep or cause to be kept under his or her supervision correct and complete books and records of account specifying the receipts and expenditures of the Association, together with records showing the allocation, distribution and collection of the assessments, fees, revenues and expenses among and from the members, shall hold the same open for inspection and examination by the Board and the Members, and shall present abstracts of the same at annual meetings of the Members or at any other meeting when requested; shall give bond in such sum with such surety or sureties as the Board may require for the faithful performance of his or her duties; shall perform any other duties which may be required of him or her by the Members of the Board; and, upon the expiration or termination of his or her term of office, shall deliver all money and other property of the Association in his or her possession or control to his or her successor or to the President. The duties of the Treasurer hereunder may be fulfilled by the Treasurer's supervision of a third-party manager who actually receives, keeps, disburses and maintains the Association's funds and records.

Section 5.05. The Board of Trustee may (but is not required to) create a committee or committees, each to be composed of not less than three (3) persons including at least one Board member, and may delegate to any such committee any of the authority and power of the Board, however derived. Such authority and power may also be delegated to a third-party management company retained by the Trustees, provided that such management company must have affirmative reporting obligations to the Trustees, and the management company shall not have

the power to make decisions or exercise authority except and to the extent specifically delegated by the Trustees, which authority may be revoked or modified by the Trustees at any time. Each committee shall serve at the pleasure of the Board and shall be subject to the control and direction of the Board. Any committee may act pursuant to the vote of a majority of its Members at a meeting of the committee or by a writing or writings signed by all of its Members. Any act or authorization by any such committee within the authority delegated to it shall be as effective for all purposes as the act or authorization of the Board. Each committee shall establish its own procedures for scheduling and giving notice of its meetings, establishing agendas, maintaining records of its meetings and actions, and other administrative matters, subject to any such procedures which may be established for that committee or all committees by the Board.

ARTICLE VI

INDEMNIFICATION

Section 6.01. The Association shall indemnify any officer or Trustee of the Association who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action threatened or instituted by or in the right of the Association), by reason of the fact that he or she is or was a Trustee, officer, employee, agent or volunteer of the Association, or is or was serving at the request of the Association as a director, Trustee, officer, employee, agent or volunteer of another corporation (domestic or foreign, nonprofit or for profit), limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including, with limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal matter, to have had no reasonable cause to believe his or her conduct was unlawful (and the termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of no lo contendere or its equivalent, shall not, of itself, rebut the presumption that a Trustee's actions were taken in good faith with the reasonable belief that they were in the Association's best interest, and with the reasonable belief that the taking of such action was not unlawful).

Section 6.02. Anything contained in this Code of Regulations or elsewhere to the contrary notwithstanding:

(A) the Association shall not indemnify any officer or Trustee of the Association who was a party to any completed action or suit instituted by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Trustee, officer, employee, agent or volunteer of the Association, or is or was serving at the request of the Association as a director,

Trustee, officer, employee, agent or volunteer of another corporation (domestic or foreign, nonprofit or for profit), limited liability company, partnership, joint venture, trust or other enterprise, in respect of any claim, issue or matter asserted in such action or suit as to which he or she shall have been adjudged to be liable for acting with reckless disregard for the best interests of the Association or misconduct (other than negligence) in the performance of his or her duty to the Association unless and only to the extent that the Court of Common Pleas of a county where all or any part of the development is located or the court in which such action or suit was brought shall determine upon application that, despite such adjudication of liability, and in view of all the circumstances of the case, he or she is fairly and reasonably entitled to such indemnity as such Court of Common Pleas or such other court shall deem proper; and

(B) the Association shall promptly make any such unpaid indemnification as is determined by a court to be proper as contemplated by this Section 6.02.

Section 6.03. Anything contained in this Code of Regulations or elsewhere to the contrary notwithstanding, to the extent that an officer or Trustee of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.01, or in defense of any claim, issue or matter therein, he or she shall be promptly indemnified by the Association against expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs) actually and reasonably incurred by him or her in connection therewith.

Section 6.04. Any indemnification required under Section 6.01 and not precluded under Section 6.02 shall be made by the Association only upon a determination that such indemnification of the officer or Trustee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 6.01. Such determination may be made only (A) by a majority vote of a quorum consisting of Trustees of the Association who were not and are not parties to, or threatened with, any such action, suit or proceeding, or (B) if such a quorum is not obtainable or if a majority of a quorum of disinterested Trustees so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Association, or any person to be indemnified, within the past five (5) years, or (C) by the members, or (D) by the Court of Common Pleas of a county where all or any part of the development is located or (if the Association is a party thereto) the court in which such action, suit or proceeding was brought, if any; and such determination may be made by a court under division (D) of this Section 6.04 at any time [including, without limitation, any time before, during or after the time when any such determination may be requested of, be under consideration by or have been denied or

disregarded by the disinterested Trustees under division (A) or by independent legal counsel under division (B) or by the Members under division (C) of this Section 6.04]; and no decision for any reason to make any such determination, and no decision for any reason to deny such determination, by the disinterested Trustees under division (A) or by independent legal counsel under division (B) or by the Members under division (C) of this Section 6.04 shall be evidenced in rebuttal of the presumption recited in Section 6.01. Any determination made by the disinterested Trustees under division (A) or by independent legal counsel under division (B) or by the Members under division (C) of this Section 6.04 to make indemnification in respect of any claim, issue or matter asserted in an action or suit threatened or brought by or in the right of the Association shall be promptly communicated to the person who threatened or brought such action or suit, and within ten (10) days after receipt of such notification such person shall have the right to petition the Court of Common Pleas of a county where all or any part of the development is located or the court in which such action or suit was brought, if any, to review the reasonableness of such determination.

Section 6.05. Expenses (including, without limitation, attorneys' fees, filing fees, court reporters' fees and transcript costs) incurred in defending any action, suit or proceeding referred to in Section 6.01 shall be paid by the Association in advance of the final disposition of such action, suit or proceeding to or on behalf of the officer or Trustee promptly as such expenses are incurred by him or her, but only if such officer or Trustee shall first agree, in writing, to repay all amounts so paid in respect of any claim, issue or other matter asserted in such action, suit or proceeding in defense of which he or she shall not have been successful on the merits or otherwise,

(A) if it shall ultimately be determined as provided in Section 6.04 that he or she is not entitled to be indemnified by the Association as provider under Section 6.01; or

(B) if, in respect of any claim, issue or other matter asserted by or in the right of the Association in such action or suit, he or she shall have been adjudged to be liable for acting with reckless disregard for the best interests of the Association or misconduct (other than negligence) in the performance of his or her duty to the Association, unless and only to the extent that the Court of Common Pleas of a county where all or any part of the development is located or the court in which such action or suit was brought shall determine upon application that, despite such adjudication of liability, and in view of all the circumstances, he or she is fairly and reasonably entitled to all or part of such indemnification.

Section 6.06. The indemnification provided by Article Six shall not be exclusive of, and shall be in addition to, any other rights to which any person seeking indemnification may be

entitled under the Articles or this Code of Regulations or any agreement, vote of Members or disinterested Trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be an officer or Trustee of the Association and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 6.07. The Association may (but shall not be required to) purchase and maintain insurance or furnish similar protection, including but not limited to trust funds, letters of credit, or self-insurance, on behalf of any person who is or was a Trustee, officer, employee, agent or volunteer of the Association, or is or was serving at the request of the Association as a director, Trustee, officer, employee, agent or volunteer of another corporation (domestic or foreign, nonprofit or for profit), limited liability company, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the obligation or the power to indemnify him or her against such liability under the provisions of this Article Six. Insurance may be purchased from or maintained with a person in which the Association has a financial interest.

Section 6.08. For purposes of this Article Six, and as examples and not by way of limitation:

(A) A person claiming indemnification under this Article Six shall be deemed to have been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.01, or in defense of any claim, issue or other matter therein, if such action, suit or proceeding referred to Section 6.01, or in defense of any claim, issue or other matter therein, if such action, suit or proceeding shall be terminated as to such person, with or without prejudice, without the entry of a judgment or order against him or her, without a conviction of him or her, without the imposition of a fine upon him or her and without his or her payment or agreement to pay any amount in settlement thereof (whether or not any such termination is based upon a judicial or other determination of the lack of merit of the claims made against him or her or otherwise results in a vindication of him or her);

(B) References to an "other enterprise" shall include employee benefit plans; references to a "fine" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Association" shall include any service as a Trustee, officer, employee, agent or volunteer of the Association which imposes duties on, or involves services by, such Trustee, officer, employee, agent or volunteer

with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Association" within the meaning of that term as used in Article Six; and

(C) The term "volunteer" shall mean a Trustee, officer or agent of the Association, or another person associated with the Association, who (i) performs services for or on behalf of, and under the authority or auspices of, the Association, and (ii) does not receive compensation, either directly or indirectly, for performing those services. Compensation does not include (i) actual and necessary expenses that are incurred by the volunteer in connection with the services performed for the Association and that are reimbursed to the volunteer or otherwise paid; (ii) insurance premiums paid on behalf of the volunteer and amounts paid, advanced or reimbursed pursuant to Article Six, Section 1702.12(E) of the Ohio Revised Code or any indemnification agreement, resolution or similar arrangement; or (iii) modest perquisites.

Section 6.09. Any action, suit or proceeding to determine a claim for indemnification under this Article Six may be maintained by the person claiming such indemnification, or by the Association, in the Court of Common Pleas of an Ohio county where all or any part of the development is located. The Association and (by claiming such indemnification) each such person consents to the exercise of jurisdiction over its or his or her person by the Court of Common Pleas of the Ohio county where all or any part of the development is located in any such action, suit or proceeding.

ARTICLE VII

NOTICES AND DEMANDS

Section 7.01. Any notice or demand which is required to be given or delivered to or served upon a Member of the Association shall be in writing and shall be deemed to have been given, delivered or served when delivered personally to him or her or mailed to him or her at his or her address as it appears on the records of the Association. If a Member has provided the Association with an e-mail address for such Member, notices may be sent by e-mail properly addressed to the address provided by the Member. Notices required or permitted to be delivered

to or served upon the Association and/or its Trustees must be served in writing, personally, by U.S. Mail delivery, overnight delivery service, or by facsimile if the Association maintains a separate fax number.

Section 7.02. In computing the period of time for the giving of a notice required or permitted under the Articles, this Code of Regulations or a resolution of the Members or Trustees, the day on which the notice is given shall be excluded, and the day when the act for which notice is given is to be done shall be included, unless the instrument calling for the notice otherwise provides. If notice is permitted to be given by mail, the notice shall be deemed to have been given when deposited in the mail.

ARTICLE VIII

AMENDMENTS

Section 8.01. This Code of Regulations may be amended by the vote of a majority of Members present in person or by proxy at a meeting called for such purpose; or a new Code of Regulations may be adopted at a meeting of voting Members held for that purpose (or in a vote conducted by mail) by the affirmative vote of those Members entitled to exercise not less than a majority (greater than 50%) of the total voting power of the Members.

Section 8.02. This Code of Regulations also may be deemed to be "Bylaws" to the extent such reference is made in any deed or other instrument. "Trustees" as denominated herein, are the same as "Directors" as such term is used in the Ohio Revised Code.

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