

**INITIAL ACTION BY UNANIMOUS WRITTEN CONSENT  
OF THE MEMBERS OF  
QUAIL CREEK HOMEOWNERS ASSOCIATION  
OF CAMDEN, INC.**

Pursuant to Section 1702.25 of the Ohio Revised Code, the undersigned, being all of the initial Members of Quail Creek Homeowners Association of Camden, Inc., an Ohio nonprofit corporation, (the "Corporation"), adopt the following resolutions by unanimous written consent without meeting:

**RESOLVED**, that the ByLaws attached as Exhibit A is adopted as the ByLaws for the Corporation.

**FURTHER RESOLVED**, that the number of Trustees of the Corporation, until increased or decreased in accordance with the ByLaws of the Corporation, shall be three (3).

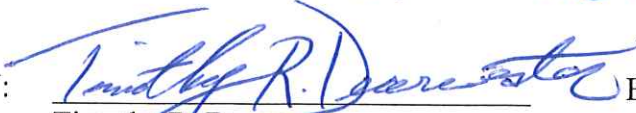
**FURTHER RESOLVED**, that the persons named as the original Trustees in the Initial Action by Unanimous Written Consent of the Trustees of Quail Creek Homeowners Association of Camden, Inc. are ratified as the Trustees of the Corporation to serve until the time fixed for the first annual election of Trustees, or until their successors are duly elected and qualified in the manner provided in the ByLaws.

**FURTHER RESOLVED**, that the Board of Trustees of the Corporation is authorized and directed to take such action as may be necessary to finalize the organization of this Corporation, and to carry out the purposes of this Corporation consistent with the intentions described in the Articles of Incorporation and the ByLaws.


**FURTHER RESOLVED**, that all actions of the Trustees of this Corporation are approved, ratified, and confirmed.

IN WITNESS WHEREOF, the undersigned Members have executed these Resolutions effective as of the 24<sup>th</sup> day of February, 2004.


BY:

  
\_\_\_\_\_  
Timothy R. Dearwester  
Member

BY:

  
\_\_\_\_\_  
Raymond C. Grooms  
Member

BY:

  
\_\_\_\_\_  
Fred Robinson  
Member

**BYLAWS OF QUAIL CREEK HOMEOWNERS ASSOCIATION OF CAMDEN, INC.  
A NONPROFIT CORPORATION**

**ARTICLE I**

**NAME , LOCATION, AND PURPOSE**

Section 1. The name of the corporation is Quail Creek Homeowners Association of Camden, Inc. The principal office of the corporation will be located at 653 McGuire Drive, Camden, OH 45311, but meetings of members and trustees may be held at any places within the State of Ohio that have been designated by the board of trustees.

Section 2. Organization, Purpose and Use of Funds. The corporation is a non-profit corporation organized under the Non-profit Corporation Law of the State of Ohio to facilitate the operation of the Association.

**ARTICLE II**

**DEFINITIONS**

Section 1. "Association" will mean Quail Creek Homeowners Association of Camden, Inc., its successors and assigns.

Section 2. "Common area" will mean all real property owned by the Association for the common use and enjoyment of the owners, including but not limited to the private streets and entrance signs located within the Subdivision.

Section 3. "Lot" will mean any plot of land shown on the recorded subdivision plat with the exception of the common area.

Section 4. "Member" will mean those persons entitled to membership in the Association as provided in the Declaration.

Section 5. "Owner" will mean the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the subdivision, including contract sellers, but excluding those holding title merely as security for the performance of an obligation.

Section 6. "Subdivision" will mean that certain tract of real property described in the Declaration, and any additions to that tract that are brought within the jurisdiction of the Association pursuant to the provisions of the Declaration.

Section 7. "Declaration" will mean the Declaration of Covenants, Restrictions, Limitations, Conditions, Charges, and Fees Covering Real Property Described Herein for the Subdivision, as recorded in the deed records in the office of the Preble County Recorder at Vol. 11, Pgs. 127-131.

## **ARTICLE III**

### **MEETINGS OF MEMBERS**

Section 1. Annual Meetings. The annual meeting of members will be held on the first Tuesday in February each year at 6:30 p.m. If the day for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the next following day that is not a legal holiday.

Section 2. Special Meetings. Special meetings of members may be called at any time by the president or by the board of trustees, or on written request of 35% of all members.

Section 3. Notice of Meetings. Written notice of each meeting of members will be given by, or at the direction of, the secretary or other person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least ten days before the meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of receiving notice. The notice will specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting, in person or by proxy, of members entitled to cast a majority of the votes will constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration, the articles of incorporation, or these bylaws. If a quorum is not present at any meeting, the members entitled to vote will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies will be in writing and filed with the secretary. Proxies will be revocable, and the proxy of any owner will automatically terminate on conveyance by the owner of a lot.

## **ARTICLE IV**

### **BOARD OF TRUSTEES--TERM OF OFFICE; FIRST ELECTION; REMOVAL**

Section 1. Number. The affairs of the Association will be managed by a board of trustees, who need not be members of the Association.

Section 2. Term of Office. The members will elect three trustees for a term of three years.

Section 3. Removal. Any trustee may be removed from the board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a trustee, a successor will be selected by the remaining members of the board and will serve for the unexpired term of the predecessor.

Section 4. Compensation. No trustee will receive compensation for any service rendered to the Association. However, any trustee may be reimbursed for actual expenses incurred in the performance of duties.

## **ARTICLE V**

### **BOARD OF TRUSTEES--NOMINATION AND ELECTION**

Section 1. Nomination. Nomination for election to the board of trustees will be by nominating committee. However, nominations may also be made from the floor at any annual meeting of members. The nominating committee will consist of a chairman who will be a member of the board of trustees, and two or more members of the Association. The committee will be appointed by the board of trustees prior to each annual meeting to serve from the close of that meeting until the close of the next annual meeting, and the appointment will be announced at each annual meeting. The nominating committee will make as many nominations for election to the board of trustees as it will in its discretion determine, but in no event will it nominate less than the number of vacancies to be filled.

Section 2. Election. Election to the board of trustees will be by secret written ballot. At this election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes will be elected. Cumulative voting is permitted, provided that any member who intends to cumulate votes must give written notice of that intention to the secretary of the Association on or before the day preceding the election at which the member intends to cumulate votes.

## **ARTICLE VI**

### **BOARD OF TRUSTEES--MEETINGS**

Section 1. Regular Meetings. Regular meetings of the board of trustees will be held quarterly without notice, at a place and hour fixed from time to time by resolution of the board. In the event the regular date for a meeting falls on a legal holiday, the meeting will be held at the same time on the next following day that is not a legal holiday.

Section 2. Special Meetings. Special meetings of the board of trustees will be held when called by the president of the Association, or by any two trustees, after not less than three days' notice to each trustee.

Section 3. Quorum. A majority of the trustees will constitute a quorum for the transaction of business. Every act performed or decision made by a majority of trustees present at a duly held meeting in which a quorum is present will constitute the act or decision of the board.

## ARTICLE VII

### BOARD OF TRUSTEES--POWERS AND DUTIES

Section 1. Powers. The board of trustees will have power to:

- (a) Adopt and publish rules and regulations governing the use of the common areas and facilities including the personal conduct of the members and their guests; and to establish penalties for infractions of rules and regulations;
- (b) Suspend the voting rights and right to use of the recreational facilities of any member during any period in which such member is in default in the payment of any assessment levied by the Association. These rights may also be suspended after notice and hearing, for a period not to exceed thirty days, for infraction of published rules and regulations;
- (c) Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not specifically reserved to the membership by the Declaration, articles of incorporation, or by other provisions of these bylaws;
- (d) Declare the office of a member of the board of trustees to be vacant in the event that such member is absent from three consecutive regular meetings of the board of trustees; and
- (e) Employ a manager, independent contractors, and any other employees deemed necessary, and to prescribe their duties.

Section 2. Duties. It will be the duty of the board of trustees to:

- (a) Cause a complete record to be kept of all its acts and corporate affairs and to present a statement to the members at each annual meeting, or at any special meeting at which a statement is requested in writing by a majority of the members entitled to vote;
- (b) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;
- (c) As more fully provided in the Declaration:
  - (1) Fix the amount of the annual assessment against each lot at least thirty days in advance of each annual assessment period;
  - (2) Send written notice of each assessment to every owner subject to the assessment at least thirty days in advance of each annual assessment period; and

- (3) Foreclose the lien against any property for which assessments are not paid within thirty days after the due date, or bring an action at law against the owner personally obligated to pay.
- (d) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid will constitute conclusive evidence of such payment. The board may impose a reasonable charge for the issuance of these certificates;
- (e) Acquire and maintain adequate liability and hazard insurance on all property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) Cause the common area to be maintained.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association will be a president and vice-president, who will at all times be members of the board of trustees, and a secretary, treasurer, and any other officers the board creates by resolution.

Section 2. Election of Officers. The election of officers will take place at the first meeting of the board of trustees following each annual meeting of members.

Section 3. Term. The officers of the Association will be elected annually by the board. Each will hold office for a term of one year unless he sooner resigns, or is removed or otherwise disqualified to serve.

Section 4. Special Appointments. The board may elect any other officers that the affairs in the Association require, each of whom will hold office for such period, have such authority, and perform such duties as the board determines.

Section 5. Resignation and Removal. Any officer may be removed from office by the board at any time with or without cause. Any officer may resign at any time by giving written notice to the board, the president, or the secretary. Resignation will take effect on the date of receipt of notice or at any later time specified, and unless otherwise specified, the acceptance of the resignation will not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the board. The officer appointed to the vacancy will serve for the unexpired term of the officer replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person will simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this article.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The president will preside at all meetings of the board of trustees; will see that orders and resolutions of the board are carried out; will sign all leases, mortgages, deeds, and other instruments; and will cosign all checks and promissory notes.
- (b) Vice-president. The vice-president will act in the place of the president in the event of the president's absence, inability, or refusal to act, and will exercise and discharge any other duties required by the board.
- (c) Secretary. The secretary will record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the Association and affix it to papers as required; serve notice of meetings of the board and of members; keep appropriate current records showing the members of the Association together with their addresses; and perform any other duties required by the board or by law.
- (d) Treasurer. The treasurer will receive and deposit in appropriate bank accounts all funds of the Association, and will disburse those funds as directed by resolution the board of trustees; will sign all checks and promissory notes of the Association; will keep proper books of account; will cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and will prepare an annual budget and statement of income and expenditures, a copy of which documents will be delivered to each member, and a report on which will be given at the regular annual meeting of members.

## **ARTICLE IX**

### **ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien on the property against which such assessments are made. Any assessments that are not paid when due are considered delinquent. If an assessment is not paid within thirty days after the due date, the assessment bears interest from the date of delinquency at the rate of 8% per year, and the Association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the property. Interest, costs, and reasonable attorney fees of any such action will be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by nonuse of the common area or abandonment of the lot.

**ARTICLE IX**

**BOOKS AND RECORDS; INSPECTION**

The books, records, papers of the Association will be subject to inspection by any member during ordinary business hours. The Declaration, articles of incorporation, and bylaws of the Association will be available for inspection by any member at the principal office of the Association, where copies will be made available for sale at a reasonable price.

**ARTICLE X**

**CORPORATE SEAL**

The Association will not have a seal.

**ARTICLE XII**

**FISCAL YEAR**

The fiscal year of the Association will be the calendar year.

**ARTICLE XII**

**AMENDMENTS**

These bylaws may be amended, at a regular or special meeting of members, by vote of a majority of a quorum of members present in person or by proxy.

**ARTICLE XIII**

**CONFLICTS**

In the case of any conflict between the articles of incorporation and these bylaws, the articles will control; in the case of any conflict between the Declaration and these bylaws, the Declaration will control.

**ARTICLE XIV**

**INDEMNIFICATION**

Section 1. Definition of Person. As used in this Article, the term "Person" shall mean any individual who is or was serving as a trustee, officer, employee, or agent of the Association, or who is or was serving at the request of the Association as a trustee, officer, employee, agent, or trustee of another Association (domestic or foreign, for profit or nonprofit), general or limited partnership, joint venture, trust, or other enterprise.



Section 2. Limitation of Liability. No Person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him on behalf of the Association, if such Person (1) in good faith exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (2) in good faith took, or omitted to take, such action in reliance upon advice of counsel for the Association or in reliance upon the books and records of the Association, upon reports made to the Association by an officer or employee or by any other Person selected for the purpose with reasonable care by the Association, or upon financial statements or written reports prepared by an officer or employee of the Association in charge of its accounts or certified by a public accountant or firm of public accountants, or (3) in good faith considered the assets to be of their book value or followed what he believed to be sound accounting and business practice.

Section 3. Provisions Relating to Indemnification.

(a) Suits by third parties. In case any Person 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, other than an action by or in the right of the Association, by reason of his Association with the Association, the Association shall indemnify such Person against all costs and expenses if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association. Such costs and expenses shall include attorneys' fees, judgments, decrees, fines, penalties and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. With respect to any criminal action, suit or proceeding, such indemnification shall occur if the Person had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, itself, create a presumption that the Person did not act in conformity with the standards set forth in the preceding sentence.

(b) Suits brought by the Association. In case any Person was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding by or in the right of the Association to procure a judgment in its favor by reason of his Association with the Association, the Association shall indemnify such Person against all costs and expenses if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association. Such costs and expenses shall include, among other items, attorneys' fees actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit. However, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the Court of Common Pleas, or the Court in which such action the suit was brought shall determine upon application that, despite the adjudication of liability, and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Common Pleas or such other Court shall deem proper.

(c) Authorization for payment of indemnity. Any indemnification under paragraphs (a) and (b) of this Section 3, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Person is proper

in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (a) and (b) of this Section 3. Such determination shall be made:

(i) 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 (i.e. disinterested trustees); or

(ii) if such a quorum is not obtainable or if a majority vote 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 by the Association within the past five years; or

(iii) by the members; or

(iv) by the Court of Common Pleas or the Court in which such action, suit or proceeding was brought.

Section 4. Prepayment of expenses. Expenses, including attorneys' fees, incurred in defending any action, suit or proceeding referred to in paragraphs (a) and (b) of this Section 3, may be paid by the Association in advance of the final disposition of such action, suit or proceeding if authorized by the trustees in the specific case. Such trustee authorization shall be given only upon the receipt of an undertaking, by or on behalf of the Person, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Subsection 3.

Section 5. Nature of indemnity. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles or the Bylaws of the Association, or under applicable federal or state laws, or any agreement or vote of members or disinterested trustees or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Indemnification shall continue as to a Person who has ceased to be a trustee, trustee, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a Person. Notwithstanding any repeal of this Article or other amendment thereof, the indemnification provided for in this Article shall be binding upon the Association in accordance with the provisions thereof as to all actions, suits or proceedings instituted or threatened which arise out of matters occurring during, or referable to, the period prior to any such repeal or amendment.

Section 6. Maximum indemnification. Notwithstanding the foregoing, the provisions of this Article shall be automatically amended to provide for the maximum indemnification permitted under the Ohio Revised Code, including amendments thereto, or any comparable provisions of any future Ohio statute. In order to implement the foregoing, the trustees of the Association are authorized to amend the provisions of this Article to provide for such indemnification.