

CODE OF REGULATIONS

OF

OAKBROOK CHASE HOMEOWNERS' ASSOCIATION, INC.

An Ohio Not-For-Profit Corporation

ARTICLE I

DIRECTORS

Section 1. Number. Until changed in accordance with the provisions of this Section, the number of Directors shall be determined pursuant to law and by resolution of the Members, but shall not be less than three (3). The number of Directors may be fixed at three (3) or changed by resolution at any meeting or any special meeting called for that purpose, adopted by a majority vote of the Members, but no reduction shall have the effect of removing any Director prior to the expiration of his term of office.

Section 2. Vacancies. In the event of the occurrence of any vacancy or vacancies on the Board of Directors, however caused, said vacancy may be filled by a majority vote of the then remaining Directors until an election to fill such vacancy is held. Members shall have the right to fill any vacancy on the Board of Directors (whether the same has been temporarily filled by the remaining Directors or not) at any meeting of the Members called for that purpose. Any Director elected at such meeting of Members shall serve until the next annual election of Directors or until a successor is elected and qualified.

Any Director may resign at any time by oral statement to that effect made at a meeting of the Board or in writing to that effect delivered to any Director, and such resignation shall take effect immediately or at such other time as the Director may specify.

Section 3. Term of Office. A Director shall hold office until the annual meeting next succeeding his election and until his successor is elected and qualified.

Section 4. Meetings. The annual meeting of the Board of Directors shall be held, without call or notice, immediately following each annual meeting of the Members of this Corporation. Any other meetings may be held at such other times and places as the Board may designate.

Meetings of the Board of Directors, other than the annual meeting, may be called by any Director, by written notice given at least thirty (30) days before the date of such meeting, to each Director, by mail, at his address as it appears on the records of the Corporation. Notice of the time, place and purpose of such meeting may be waived in writing, either before or after the holding of such meeting, by any Director. Such waiver shall be filed or entered upon the records of such meeting. The attendance of any Director at any meeting of the Board without protest, prior to or at the commencement of the meeting, shall be deemed a waiver by Director of such notice of meeting.

Section 5. Quorum. A majority of the Directors shall constitute a quorum for any meeting, regardless of the number of members of the Board present.

Section 6. Powers and Duties. The powers of this Corporation shall be exercised, its business and affairs conducted and its property controlled by the Board of Directors, except as otherwise provided in the Articles of Incorporation, or the applicable laws of the State of Ohio.

ARTICLE II

OFFICERS

Section 1. Officers. The Board of Directors shall elect a President, Vice President, Secretary and Treasurer, and at its discretion it may create any other offices as it may determine necessary.

Section 2. Term. All of the Officers of this Corporation shall hold office for a term of one (1) year and at the pleasure of the Board of Directors, until their successors are elected and qualified. The Board of Directors may remove any Officer at any time, with or without cause, by a majority vote. A vacancy in any office, however created, shall be filled by the Board of Directors.

Section 3. Duties of President. The President shall preside at all meetings of the Board of Directors, sign the records thereof, and perform generally all of the duties usually performed by presidents of similar corporations and such other and further duties as shall be from time to time required of him by the Board of Directors.

Section 4. Duties of Vice President. The Vice President shall perform all of the duties of the President in case of the President's absence or as may be assigned to him from time to time by the President or the Board of Directors, and when so acting, shall have the same power and authority as the President.

Section 5. Duties of the Secretary. The Secretary shall keep minutes of all of the proceedings of the Board of Directors of this Corporation and make a proper record of the same, which shall be attested by him, and generally shall perform such other duties as may be required from time to time of him by the Board of Directors.

Section 6. Duties of Treasurer. The Treasurer shall receive and have charge of all monies and property belonging to this Corporation, and shall disburse, or otherwise deal with, the same as shall be directed by the Board of Directors. He shall keep an accurate account of all money or property received or disposed of by him, and shall perform all such other duties as may be required of him by the Board of Directors.

ARTICLE III

MEMBERSHIP

Section 1. Membership. The membership of this Corporation shall consist of every person or entity who is a record owner of a fee simple interest in any Lot (as defined in the Declaration); however, persons or entities who hold an interest merely as security for the performance of an obligation shall not be members of the Association. Membership shall be appurtenant to and shall not be separated from ownership of a Lot. Upon a member's sale or other disposition of his or her Lot, the member's membership shall terminate and the new owner shall automatically become a member of the Association. Voting rights of members shall be as set forth in the Bylaws of the Association adopted by the members (the "Bylaws").

Section 2. Rights of Members. The right of a Member to vote and be eligible to participate in business meetings shall cease on the termination of his membership.

Section 3. Annual Meetings. The annual meeting of the Members of this Corporation shall be held at the office of the Corporation or at such other place as may be designated by the Board of Directors on the 1st Tuesday of February in each year for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

Section 4. Special Meetings. Special meetings of the Members of this Corporation shall be called by the Secretary upon the direction of the President or upon the written request of one-third (1/3rd) of the Board of Directors.

Section 5. Notice. At least ten (10) days prior to the annual meeting and at least five (5) days prior to any other meeting of the Members, written notice of the time, place, and purpose thereof shall be mailed to each Member as shown on the registry of Members. This time requirement may be waived by the written consent of all of the Members, which writing may be subscribed after a meeting not otherwise duly called.

Section 6. Quorum. A majority of the Members of the Corporation shall constitute a quorum for the transaction of any business at any regular or special meeting of the members.

ARTICLE IV

FISCAL YEAR

The fiscal year of this Corporation shall begin on the 1st day of January and end on the 31st day of December of that year. The fiscal year may be changed by a majority vote of the Board of Directors.

ARTICLE V
AMENDMENTS

These Bylaws may be amended, adopted or repealed by the affirmative vote of a majority of the Members empowered to vote thereon at a meeting called and held for that purpose, or without a meeting by the written consent of a majority of the Members of this Corporation.

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 Director, officer, employee, or agent of the Association, or who is or was serving at the request of the Association as a Director, officer, employee, agent, or Director 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:

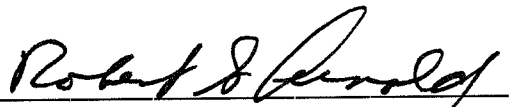
- (i) by a majority vote of a quorum consisting of Directors of the Association who were not and are not parties to or threatened with any such action, suit or proceeding (i.e. disinterested Directors); or
- (ii) if such a quorum is not obtainable or if a majority vote of a quorum of disinterested Directors 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 Directors in the specific case. Such Director 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 Directors 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 Director, Director, 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 Directors of the Association are authorized to amend the provisions of this Article to provide for such indemnification.

ARNOLD ENTERPRISES, INC.
an Ohio corporation
General Partner of the
Beaver Valley Joint Venture

By: 
Robert S. Arnold, President