

ARTICLES OF INCORPORATION

LAKE MEDINA RESERVE HOMEOWNERS' ASSOCIATION, INC.

In compliance with the requirements of the provisions of Chapter 1702 of the Revised Code of Ohio, the undersigned hereby forms a nonprofit corporation and certifies:

ARTICLE I

NAME

The name of the corporation is Lake Medina Reserve Homeowners' Association, Inc. (the "Association").

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association shall be in the Township of Medina, Medina County, Ohio, or such place in Medina County, Ohio, as the Board of Directors of the Association shall specify from time to time.

ARTICLE III

PURPOSE AND POWER

The purposes for which this Association is formed are to act on behalf of the owners at Lake Medina Reserve Subdivision to provide for maintenance, preservation and architectural control of the Property, and to promote the health, safety and welfare of the residents. To promote these purposes, the Association shall have the following powers:

- (i) Adopt and amend a Code of Regulations for the government of the Association, the conduct of its affairs and the management of the Property;
- (ii) Adopt rules and regulations for the use and occupation of the Common Elements and to enforce violation of its rules and regulations and the provisions and restrictions of the Declaration as against the Owners and Occupants;
- (iii) Adopt rules and regulations, subject to the approval of the Medina Township Zoning Commission, for the use and occupation of the Open Space and to enforce violation of its rules and regulations and the provisions and restrictions of the Declaration as against the Owners and Occupants

- (iv) Adopt and administer architectural standards, not inconsistent with these Declarations, and enforce violations thereof;
- (v) Adopt and amend budgets for revenues, expenditures and reserves and levy and collect Assessments from Owners;
- (vi) Hire and discharge managing agents and other employees, agents and independent contractors;
- (vii) Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Property;
- (viii) Make contracts and incur liabilities;
- (ix) Regulate the use, maintenance, repair, replacement and modification of the Common Elements and those portions of the Lots and/or Cluster Living Units for which the Association has maintenance responsibility and other rights as set forth herein;
- (x) Cause additional improvements to be made as part of the Common Elements;
- (xi) Cause additional improvements to be made as part of the Open Space, subject to the approval of the Medina Township Zoning Commission;
- (xii) Acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property;
- (xiii) Grant easements, licenses and concessions through or over the Common Elements;
- (xiv) Grant easements, licenses and concessions through or over the Open Space, subject to the approval of the Medina Township Zoning Commission;
- (xv) Impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements and for services provided to Owners;
- (xvi) Impose charges for late payments of Assessments and after notice and an opportunity to be heard, levy reasonable fines for violations of the Declarations, Code of Regulations and Rules and Regulations of the Association;
- (xvii) Impose reasonable charges for the preparation and recordation of amendments to the Declaration (which amendments shall have been approved by the Medina Township Zoning Commission) or for statements of unpaid Assessments;
- (xviii) Provide for indemnification of its officers and Board of Directors and maintain directors' and officers' liability insurance;

- (xix) Assign its right to future income, including the right to receive Assessments;
- (xx) Exercise any other powers conferred by the Declaration, Code of Regulations or Articles of Incorporation;
- (xxi) Exercise all other powers that may be exercised in this State by not for profit corporations; and
- (xxii) Exercise any other powers necessary and proper for the governance and operation of the Association.

The Association shall not do any act or enter into any agreement or enter into any transaction in a manner that would violate any provision of Chapter 1702 of the Ohio Revised Code or the provisions of these Articles, the Declaration or the Code of Regulations.

ARTICLE IV

MEMBERSHIP

Every person or entity who is a record owner of a Lot or Cluster Living Unit in Lake Medina Reserve shall be a member of the Association and is herein called "an owner." The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a Lot or Cluster Living Unit, and transfer of a Lot or Cluster Living Unit shall automatically transfer membership to the transferee. Voting rights of members shall be as set forth in the Declaration and Code of Regulations.

ARTICLE V

BOARD OF DIRECTORS

The number, qualifications, manner and time of selection of Directors and their terms of office shall be as set forth in the Declaration and Code of Regulations.

The Board of Directors shall have all of the powers and all of the duties of the Board of Directors as defined in Chapter 1702 of the Revised Code of Ohio, except as such powers may be limited or expanded by the provisions of these Articles, the Declaration or the Code of Regulations.

ARTICLE VI

NOTICE AND QUORUM

Notice and quorum requirements shall be in accordance with the provisions of the Declaration and the Code of Regulations.

ARTICLE VII

INDEMNIFICATION

1. The Association shall indemnify every person who is or has been a Director, officer, agent, employee or volunteer of the Association and those persons' respective heirs, legal representatives, successors and assigns, against expenses, including attorneys' fees, and judgments, decrees, fines, penalties, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether in an action or proceeding by or in the right of the Association, or otherwise, in which such person was or is a party or is threatened to be made a party by reason of the fact that person was a Director, officer, agent, employee or volunteer of the Association, or is or was serving in such capacity at the request of the Association, provided that person:

- (a) acted in good faith and in a manner that person believed to be in or not opposed to the best interests of the Association, and
- (b) in any matter the subject of a criminal action or proceeding, had no reasonable cause to believe the questioned conduct was unlawful, but provided that in the case of any threatened pending or completed action or suit by or in the right of the Association to procure a judgment in its favor against any such person by reason of that person serving in such capacity, 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 a duty to the Association unless and only to the extent that the Court in which such action was brought shall determine upon application that in view of all the circumstances of the case that person is fairly and reasonably entitled to indemnity for such expenses as the Court shall deem proper.

2. Unless ordered by a Court, the determination of indemnification, pursuant to the foregoing criteria, shall be made:

- (a) by a majority vote of a quorum of Directors 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 the quorum of disinterested Directors so direct, 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 two years, or

- (c) by the owners, or
- (d) by the Court in which such action, suit or proceeding was brought.

ARTICLE VIII

DURATION

The Association may be dissolved only with the same consents as provided in the Declaration. In the event that the Association is dissolved, all of its assets shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes (“New Association”). Further, there shall be no New Association unless and until such New Association shall have all authority necessary for compliance with the Medina Township open space requirements as contained in the Declaration and the Record Plan.

ARTICLE IX

DEFINITIONS

All terms used herein shall have the same meanings as set forth in the Declaration.

ARTICLE X

AMENDMENTS

The Articles may be amended only under the same terms and conditions, and with the same approvals, as are provided in the Declaration for its amendment.