

**ARTICLES OF INCORPORATION  
OF  
THE RESERVE AT BROOKSIDE  
HOMEOWNERS ASSOCIATION, INC.**

The undersigned incorporators desire to form a corporation, not-for-profit, under Section 1702.01, *et seq.*, of the Ohio Revised Code, and they certify as follows:

**ARTICLE I  
NAME**

The name of the corporation will be The Reserve at Brookside Homeowners Association, Inc. (the "Association").

**ARTICLE II  
PRINCIPAL OFFICE**

The principal office of the Association will be located at 3150 Republic Boulevard, North, Suite 3, in the city of Toledo, Lucas County, Ohio 43615, or such other address as may be designated by the Association in writing.

**ARTICLE III  
PURPOSES AND POWERS**

1. **Purposes.** The Association is formed for the specific purpose of acting as the Homeowners Association for various sections of The Reserve at Brookside (the "Project"). Each section of the Project is subject to the Declaration of Covenants, Conditions and Restrictions for The Reserve at Brookside with attached exhibits and the amendments thereto (together, the "Declaration"), which are filed for record with the Recorder of Warren County, Ohio. The Association is also formed for the purposes of providing for the maintenance, preservation, management, and architectural control of the Project and promoting the health, safety, and welfare of the residents of the Project.
2. **Powers.** In order to accomplish each of these purposes, the Association shall have the following powers:
  - a. To establish, maintain, and operate this not-for-profit corporation in order to benefit the Members of this Association (described in Article IV).
  - b. To acquire, own, maintain, and manage any real property that is conveyed to and accepted by the Association and to purchase, construct, own, maintain and manage all the equipment and facilities (including personal property) located on that property.
  - c. To administer and enforce all restrictions upon the Project that are contained in the Declaration.

- d. To levy, assess and collect assessments from each Member determined in accordance with provisions contained in the Declaration.
- e. To engage in any activities specifically described in the Association's Bylaws and any other activities reasonably intended to benefit the Association and its Members.
- f. To perform any other acts necessary or expedient to administer the affairs and attain the purposes of this Association.
- g. To have and to exercise any other rights and powers conferred on nonprofit corporations under the Ohio nonprofit corporation law (Ohio Revised Code Chapter 1702) as it is now in effect or subsequently amended.

#### ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

1. Membership. The members of this Association (the "Members") shall be as follows:
  - a. Every person or entity who is a record owner of a fee simple (including any undivided fee simple) interest in any lot within the Project; and
  - b. Brookside Joint Venture, an Ohio partnership, and its successor or its successor-in-interest to lots within the Project (the "Partnership"). The Partnership shall be a Member until the Turnover Date (defined in Article IV, Section 4 (a) hereof) or until the Partnership resigns its membership, whichever occurs first.

Persons or entities who hold interests in the lots merely as security for the performance of obligations shall not be Members of the Association. Membership shall be appurtenant to and may not be separated from ownership of a lot. Each transfer of a lot shall automatically transfer membership to the transferee(s).

2. Privileges of Membership. Each Member of the Association (or, if the Member is not a person, its representative) shall enjoy the rights to vote (except as limited in Section 3 and 4 of this Article), to hold office in the Association, to enjoy free access to all Association properties and facilities and to invite guests in accordance with Association rules. All family members who live with a Member, tenants in possession of a lot, and any family members who live with those tenants shall not be Members but shall also enjoy the full privileges of membership described above, except as limited in Section 3 of this Article.
3. Limitations on Privileges of Membership. Only one vote shall be cast by the owners of any lot. When there are two (2) or more Members from any lot, each may exercise a fraction of the single vote allocable to that lot. The fractional vote allocated to that Member shall be

equal to that Member's fractional fee simple interest in the lot. Family members who live with a Member, tenants in possession of a lot, and any family members who live with those tenants shall not have the right to hold office in the Association or to vote on any matter.

4. Voting Power. All votes shall be cast by the Members as provided in this Section and elsewhere in the Association's Organizational Documents (as hereinafter defined).
  - a. Prior to the Turnover Date. Prior to the Turnover Date (defined below) all voting powers of the Association shall reside in and be exercised solely by the Partnership. The "Turnover Date" shall be the earlier of: (i) ninety (90) days following the date when 100 percent of the lots in the Project have been sold by the Partnership; or (ii) the date the Partnership voluntarily relinquishes this voting power.
  - b. After the Turnover Date. After the Turnover Date, all voting powers of the Association shall reside in the Members and shall be exercised by them in accordance with these Articles, the Association's Bylaws and the Declaration (together the "Organizational Documents").

**ARTICLE V  
BOARD OF TRUSTEES**

The names and addresses of the initial Trustees of the Association are:

Richard L. Arnos  
3150 Republic Boulevard North, Suite 3  
Toledo, OH 43615

John E. Buckey  
3150 Republic Boulevard North, Suite 3  
Toledo, OH 43615

Kathy Henline  
3150 Republic Boulevard North, Suite 3  
Toledo, OH 43615

The number, qualifications, manner and time of selection of successor Trustees and their terms of office are set forth in the Declaration and Bylaws.

The Board of Trustees shall have all of the powers and all of the duties granted in the Organizational Documents or Chapter 1702 of the Ohio Revised Code, except as limited by the Organizational Documents.

**ARTICLE VI  
NOTICE AND QUORUM**

All notice and quorum requirements are specified in the Association's Bylaws.

**ARTICLE VII  
DURATION**

The Association shall remain in existence so long as: (a) it owns any property or facilities; or (b) it has the right and power to enforce any restriction applicable to any lot; or (c) it has the right and power to arbitrate disputes in connection with any restriction applicable to any lot.

**ARTICLE VIII  
DISSOLUTION**

If this Association is dissolved, the Trustees and Members shall provide for the distribution of its assets in a manner that does not deprive the Association of its tax-exempt status.

**ARTICLE IX  
AMENDMENTS**

1. Notice of Amendments. Each holder or insurer of a first mortgage encumbering any lot in the Project shall, upon written request to the Association (stating the name and address of the holder or insurer and the description of the lot), be entitled to timely written notice of:
  - a. Any proposed amendment of these Articles of Incorporation; and
  - b. Any proposed termination of the Association (unless the Association automatically terminates pursuant to Article VII).
2. Amendments Requiring Unanimous Vote. Any proposed amendment of these Articles that modifies: (a) the allocation of voting powers contained in Sections 3 and 4 of Article IV; or (b) the fundamental purposes for which the Association is organized contained in Article III; shall require the unanimous consent of all Members present (either in person or by proxy) at a duly called and noticed meeting of the Association.
3. Other Amendments. Except as provided in Section 2 of this Article, any other amendment to these Articles may be adopted with the consent of 66 2/3 percent of the number of votes that may be cast by the Members present (either in person or by proxy) at a duly called and noticed meeting of the Association.

**ARTICLE X  
INDEMNIFICATION OF TRUSTEES, OFFICERS, AND OTHER**

1. Indemnification: Actions by Others. The Association may indemnify each of the potentially protected persons (described below) 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 (an "Action"). The potentially protected persons who may be entitled to indemnification under this Section ("PPPs") shall: (a) be or have been Trustees or officers of the Association; or (b) be serving or have served as trustees, directors, officers, employees, or agents of another corporation, partnership, joint venture, trust or other enterprise at the request of or specifically on behalf of the Association; or (c) be the heir, executor or personal representative of any person described in (a) or (b). Payments made pursuant to this Section may include: any expenses (including reasonable attorney fees) of settlement or defense, judgments, fines and amounts paid in settlement, and any other amounts actually and reasonably incurred by the PPP in connection with the Action.

No indemnification shall be authorized under this Section unless (i) the PPP 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 (ii) with respect to any criminal Action, the PPP had no reasonable cause to believe that his or her conduct was unlawful. The decision that any PPP has or has not satisfied these requirements (the "Good Faith Requirements") shall be made as provided in Section 4 of this Article. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, shall not, by itself, create a presumption that the PPP failed to satisfy the Good Faith Requirements. Evidence that the PPP acted on the advice of counsel whom he or she reasonably believed to be competent with respect to the issue in question shall create a presumption that the PPP has satisfied the Good Faith Requirements.

2. Indemnification: Actions by or on Behalf of the Association. The Association may indemnify any PPP who was or is a party or is threatened to be made a party to any Action by or on behalf of the Association, if: (a) the PPP satisfied the Good Faith Requirements; and (b) the PPP has not been adjudged liable for negligence or misconduct in the performance of any duty to the Association; or if he or she has been adjudged liable, then (c) the court in which the action was brought determines that, despite the adjudication of liability and in view of all the circumstances of the case, the PPP is fairly and reasonably entitled to indemnity, and then the amount due shall be limited to those expenses that the court deems proper.

No indemnification shall be made with respect to any action or suit in which liability is assessed against a Trustee only pursuant to Section 1702.55 of the Ohio Revised Code.

3. Mandatory Indemnification. If any PPP has successfully defended (whether on the merits or otherwise) any Action, or any particular claim, issue or matter included in any Action,

then the Association shall indemnify that PPP against all expenses, including attorney fees, actually and reasonably incurred by him in connection with the defense of the Action or particular claim, issue, or matter.

4. Decisions to Indemnify. The determinations of whether any PPP has satisfied the Good Faith Requirements or should be paid or reimbursed for any expenses shall be made as follows:
  - a. By a majority vote of a quorum of the Association's Trustees who were not and are not parties to or threatened with any Action; or
  - b. If a quorum cannot be assembled, or if a majority of a quorum of disinterested Trustees so directs, by a written opinion issued by independent legal counsel (i.e., neither the attorney nor the firm rendering the opinion may have been retained by or performed services for the Association or any person seeking indemnification within the past five (5) years); or
  - c. By a majority of the number of votes that may be cast by the Members present (either in person or by proxy) at a duly called and noticed meeting of the Association; or
  - d. By the Court of Common Pleas in the Association's principal place of business; or
  - e. By the court in which the Action was brought.

If the PPP is seeking indemnification in connection with an Action by or on behalf of the Association, then the Association shall deliver notice to the PPP of any determination made under subparagraphs (a), (b), or (c) above and the PPP shall have ten (10) days after receipt of the notice to petition the Court of Common Pleas (in the case of any threatened Action) or the court in which any pending Action was filed to review the reasonableness of the Association's determination.

5. Advance Payment. Prior to the Association's formal decision regarding indemnification (pursuant to Section 4 of this Article), the Association may make advance payments of any expenses, including attorney fees, which any PPP has incurred in defending any Action, but only if the PPP agrees in writing to reimburse the Association if it ultimately determines that the PPP is not entitled to indemnification.
6. Non-Exclusive. The provisions of this Article shall not be construed to exclude any rights that any PPP may have under any other agreement or action duly taken by a vote of the Members.
7. Insurance. The Association may purchase and maintain insurance for the purpose of covering any payments that may ultimately become due to any PPP under this Article.

8. Other Entities. For purposes of this Article, references to the Association include all constituent corporations in a consolidation or merger, including the new or surviving corporation, so that any PPP shall stand in the same position under this Article with respect to the new or surviving corporation as if he or she had served the new or the surviving corporation in the same capacity.

**ARTICLE XI**  
**INSPECTION OF ASSOCIATION BOOKS AND RECORDS**

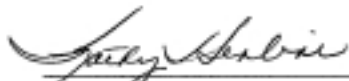
Each holder and insurer of the first mortgage on any lot shall be entitled, upon written request, to inspect the books and records of the Association during normal business hours.

Each member shall have the right, upon written request, to inspect the books, records, and financial statements of the Association, including, after the Turnover Date, any annual financial statements during normal business hours.

IN WITNESS WHEREOF, the following have subscribed their names, this 22nd day of December 1998.

  
\_\_\_\_\_  
Richard L. Arnos

  
\_\_\_\_\_  
John E. Buckey

  
\_\_\_\_\_  
Kathy Heffline

Prescribed by:  
Bob Taft, Secretary of State  
30 East Broad Street, 14 Floor  
Columbus, Ohio 43266-0418  
Form LCO (July 1994)

**ORIGINAL APPOINTMENT OF STATUTORY AGENT**

The undersigned are all the incorporators of THE RESERVE AT BROOKSIDE HOMEOWNERS ASSOCIATION, INC. (the "Association").

They appoint JOHN E. BUCKEY, a natural person resident in the county in which the Association has its principal office, upon whom any process, notice or demand required or permitted by statute to be served upon the Association may be served.

His complete address is:

3150 Republic Boulevard, North, Suite 3  
Toledo, OH 43615

IN WITNESS WHEREOF, the undersigned incorporators have signed their names, this 22<sup>nd</sup> day of December 1998.

THE RESERVE AT BROOKSIDE HOMEOWNERS ASSOCIATION, INC.


By:   
Richard L. Arnos, Incorporator

By:   
John E. Buckey, Incorporator

By:   
Kathy Henline, Incorporator

ACCEPTANCE OF APPOINTMENT

The undersigned, named herein as the statutory agent for THE RESERVE AT BROOKSIDE HOMEOWNERS ASSOCIATION, INC., hereby acknowledges and accepts the appointment as agent for said not-for-profit corporation.

  
\_\_\_\_\_  
John E. Buckey

DATE	DOCUMENT NO	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
1. 2/11/1999	199901901339	ARN DOMESTIC ARTICLES/NON-PROFIT	25.00	10.00	0.00	0.00	0.00
<b>TOTAL</b>			25.00	10.00	0.00	0.00	0.00

**Return To:**  
**HEDRICK & JORDAN CO.**  
**124 E THIRD ST**  
**STE 300**  
**DAYTON, OH 45402-0550**

-----cut along the dotted line-----



*The State of Ohio*  
 ♦ *Certificate* ♦

*Secretary of State - J. Kenneth Blackwell*

**1059694**

*It is hereby certified that the Secretary of State of Ohio has custody of the business records for THE RESERVE AT BROOKSIDE HOMEOWNERS ASSOCIATION, INC. and that said business records show the filing and recording of:*

*Document(s)*  
 DOMESTIC ARTICLES/NON-PROFIT

*Document No(s):*  
 199901901339

United States of America  
 State of Ohio  
 Office of the Secretary of State



Witness my hand and the seal of the Secretary of State at Columbus, Ohio, This 6th day of January, A.D. 1999

*J. Kenneth Blackwell*  
 J. Kenneth Blackwell  
 Secretary of State