

ARTICLES OF INCORPORATION

OF

HIGHLAND LAKES SOUTH HOMEOWNERS' ASSOCIATION

The undersigned, desiring to form a corporation not-for-profit under the Ohio Nonprofit Corporation Law, hereby certifies:

ARTICLES I

Name

The name of the corporation is Highland Lakes South Homeowners' Association (hereinafter the "Association").

ARTICLE II

Principal Office

The principal office of the Association shall initially be at 41 South High Street, Suite 2410, Columbus, Ohio 43215.

ARTICLE III

Purposes and Powers

The Association does not contemplate pecuniary gain or profit to the members thereof and the purpose or purposes for which the Association is formed are as follows:

(a) to maintain and landscape entrance features within Highland Lakes South Sections 1 and 2 (hereinafter referred to as the "Subdivision"); to own and maintain aesthetically and functionally those reserve areas that may from time to time be conveyed to the Association (hereinafter referred to as "Reserves"); to provide for other matters of concern to the owners of lots located within and more particularly described and depicted on the Subdivision plat, Township of Genoa, Delaware County, Ohio; to own and maintain any other property which may be conveyed to the Association with its consent; and to purchase, construct, own, maintain, and manage any and all facilities and improvements (including personal property) presently or in the future constructed or located on the property of the Association and all of which shall sometimes hereinafter be referred to as the "Property";

(b) to establish uniform rules and regulations pertaining to the maintenance and use of the entrance features and Reserves and the Property of the Association;

(c) to provide and pay for insurance coverage in such types and amounts as the Association shall determine;

(d) to exercise all of the powers and privileges or perform all of the duties and obligations of the Association as set forth in those certain Warranty Deeds recorded in Deed Record Volume 519, Page 677, Deed Record Volume 543, Page 461 and Deed Record Volume 563, Page 265,, Recorder's Office, Delaware County, Ohio (hereinafter the "Deeds"), as the same may be amended from time to time;

(e) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments made pursuant to the terms of the Deeds, and pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association;

(f) to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, grant easements over, or otherwise dispose of real or personal property in connection with the affairs of the Association;

(g) to borrow money to fulfill its purpose and give security therefor;

(h) to enter into and perform contracts to fulfill its purposes;

(i) to have and exercise any and all powers, rights and privileges which a corporation organized under Chapter 1702 of the Ohio Revised Code may now or hereafter have or exercise by law; and

(j) to take any action necessary, expedient, incidental, appropriate, or convenient to the carrying out of the foregoing purposes.

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

#### ARTICLE IV

##### Membership

Each record owner of a fee simple interest of any lot in the Subdivision, including additional lots and phases or sections in the Subdivision to be added at a later time, shall be a member of the Association, and shall be called a "Member". The foregoing is not intended to include persons or entities who or which hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of a lot and transfer of a lot shall automatically end obligations of



the transferor with respect to the lot and other property. Voting rights of Members shall be as set forth in the Deeds and Code of Regulations.

ARTICLE V

Board of Trustees

The names and addresses of the initial Trustees of the Association, who shall serve until the selection of their successors (as provided in the Code of Regulations), are:

<u>Name</u>	<u>Address</u>
Paul S. Coppel	41 South High Street Suite 2410 Columbus, Ohio 43215
William Westbrook	41 South High Street Suite 2410 Columbus, Ohio 43215
Steve Saunders	41 South High Street Suite 2410 Columbus, Ohio 43215

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

The Trustees shall exercise all of the power and authority and discharge all of the duties of Trustees as defined in Chapter 1702 of the Ohio Revised Code, except as such power and authorities may be limited or expanded by the provisions of these Articles, the Deeds, or the Code of Regulations.

ARTICLE VI

Notice and Quorum

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

## ARTICLE VII

### Indemnification

(1) The Association shall indemnify every person who is or has been a Trustee, Officer, agent, or employee of the Association and those personal respective heirs, legal representatives, successors, and assigns against expenses, including attorney fees, and judgments, decrees, fines, penalties, and 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 such person was a Trustee, Officer, employee, or agent of the Association, 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. Notwithstanding the foregoing, 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 with respect to 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 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 years, or (c) by the Members, or (d) by the court in which such action, suit, or proceeding was brought.

(3) Any such indemnification shall not be deemed exclusive of any other rights to which such person may be entitled under law, any agreement, or any insurance purchased by the Association or by vote of Members, or otherwise.

## ARTICLE VIII

### Net Earnings and Dissolution

(1) Net Earnings. No part of the net earnings of the Association shall inure to the benefit of or be distributable to the Members, Trustees, officers, or other persons, except that



the Association shall be authorized and empowered to reimburse any Trustee, Officer, or Member for the actual expenses incurred in the performance of that individuals duties and in the furtherance of the purposes set forth in Article III hereof.

(2) Dissolution. The Association shall exist so long as (a) the Association owns any part of the Property, (b) any provision in the Deeds enforceable by the Association remains applicable to any part of the Subdivision, or (c) the arbitration of disputes in connection with the Subdivision remains delegated to the Association, or its Members or Trustees; whichever is longest. Each holder or insurer of a first mortgage upon a lot shall be entitled to timely, written notice of any proposed termination of the Association.

## ARTICLE IX

### Definitions

All terms used herein shall have the same meanings as set forth in the Deeds, except for the terms "Property" and "Member", which are separately defined herein.

## ARTICLE X

### Amendments

These Articles may be amended only with the affirmative approval of Members exercising no less than sixty percent (60%) of the voting power of Members. Notwithstanding the foregoing, and in addition thereto, the consent of all Members present, in person or by proxy, who are entitled to vote at a duly called and noticed meeting of the Association, and the written consent of M/I Schottenstein Homes, Inc., an Ohio corporation, successor by merger to M/I Schottenstein Homes, Inc., a Delaware corporation, and the grantor under the Deeds (so long as it continues to own one or more lots or adjacent and contiguous undeveloped land with votes equal to the votes which will accrue to lots which can be developed therefrom), shall be required for any amendment thereto which effects a change in (1) the method of dividing the assessments, (2) the method of voting on Association matters, and (3) the fundamental purposes for which the Association is organized. A holder or insurer of a first mortgage on any lot, upon written request to the Association (which request shall state the name and address of such holder or insurer and a description of the lot), shall be entitled to timely, written notice of any proposed amendment thereto.

  
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Paul S. Coppel, Sole Incorporator

ORIGINAL APPOINTMENT OF AGENT

The undersigned, being the incorporator of Highland Lakes South Homeowners' Association, hereby appoints as its agent, Mercury Agent Company, an Ohio corporation, upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. His complete address is 41 South High Street, Suite 2410, Columbus, Ohio 43215.

Dated: \_\_\_\_\_

  
\_\_\_\_\_  
Paul S. Coppel

ACCEPTANCE OF STATUTORY AGENT

The undersigned hereby accepts the original appointment as statutory agent for Highland Lakes South Homeowners' Association on the \_\_\_\_ day of \_\_\_\_\_, 1995.

Mercury Agent Company,  
an Ohio corporation

By: \_\_\_\_\_  
Thomas H. Carruthers,  
Secretary/Treasurer