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APPROVED

By Date 12-11-96Amount 2500

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ARTICLES OF INCORPORATION

OF

RIVER RIDGE II OWNER'S ASSOCIATION

The undersigned, desiring to form a corporation not-for-profit under Section 1702.01 et seq. Ohio Revised Code, does hereby certify:

ARTICLE I

NAME

The name of said corporation shall be River Ridge II Owner's Association (the "Association").

ARTICLE II

PRINCIPAL OFFICE

The place in Ohio where the principal office of the Association is to be located in Sugarcreek Township, Greene County, Ohio.

ARTICLE III

PURPOSE AND POWERS

The Association has been formed for the specific purpose of acting as the Homeowners Association for various sections of River Ridge II Estates (the "Project"). The Project was created in phases by the filing for record with the Recorder of Greene County, Ohio, Plat Restrictions and Covenants for River Ridge II Estates, with attached exhibits (the "Declaration"). The purpose of the Association includes providing for the maintenance, preservation, management and architectural control of the property included in the Project and to promote the health, safety and welfare of the residents of the Project. To accomplish such purposes, the Association shall have the following powers:

- (a) To establish, maintain and operate a corporation not-for-profit to benefit the owners of lots in various sections of the Project.
- (b) To acquire, own, maintain and manage any property, which is conveyed to the Association with the consent of the Association and to purchase, construct, own, maintain and manage the facilities and improvements (including personal property) located on the property owned or acquired by the Association.

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- (c) To administer and enforce restrictions upon the Project contained in the Declaration.
- (d) To engage in activities to benefit the Association and the owners of property in the Project, including, but not limited to, those activities specifically set forth in River Ridge II Owner's Association Code of Regulations (the "Code").
- (e) To administer the ARB, as defined in the Declaration.
- (f) To maintain the entryways and facades located at the entryways of the Project.
- (g) To have and exercise all the rights and powers conferred on nonprofit corporations under the Ohio nonprofit corporation law (Ohio Revised Code Chapter 1702), as such law is now in effect or may at any time hereafter be amended.
- (h) To do all other acts necessary or expedient for the administration of the Association.
- (i) To fix, levy, and collect all charges or assessments pursuant to the terms of the Declaration and Code, enforce payment of such charges and assessments by any lawful means, and pay all expenses in connection therewith and in connection with the conduct of the affairs of the Association.
- (j) To obtain, pay for, and maintain insurance to the extent provided in the Declaration and Code.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

1. Membership. The following shall be Members of the Association:

Every person or entity who is a record owner (each, an "Owner" and collectively, the "Owners") of a fee or undivided fee simple interest in a lot within the Project. 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 may not be separated from ownership of a lot. Transfer of a lot shall automatically transfer membership to the transferee.

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2. Privileges of Membership.

Each member of the Association (or its representatives in the event that the member is not a person) shall enjoy the full privileges of membership.

3. Voting Power.

Full voting power and control shall reside in the members of the Association who shall exercise such power in accordance with the Declaration and Code.

ARTICLE V
BOARD OF TRUSTEES

The names and addresses of the persons who are initially to act in the capacity of Trustee, until the selection of their successors as provided in the Declaration and the Code are:

Robert D. Abernathy
Abernathy Investments, Inc.
3445 South Dixie Drive
Suite 110
Dayton, Ohio 45439

Jayne E. Abernathy
Abernathy Investments, Inc.
3445 South Dixie Drive
Suite 110
Dayton, Ohio 45439

Sheila Milton
717 Charles Street
Middletown, Ohio 45042

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

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

ARTICLE VI
NOTICE AND QUORUM

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

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ARTICLE VII
DURATION

The Association shall remain in existence so long as (a) the Association owns any property or facilities held for the common benefit of all the Members; or (b) the Association has the right and power to enforce any restriction applicable to any lot; or (c) the Association has the right and power to arbitrate disputes in connection with any restriction applicable to any lot.

ARTICLE VIII
DISSOLUTION

In the event of dissolution, the Trustees and members shall provide for the distribution of the corporate assets in a manner which does not deprive the Association of tax exempt status.

ARTICLE IX
AMENDMENTS

1. Amendments Regarding Voting. The unanimous 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, shall be required for any amendment of these Articles which affect a change in (a) the allocation of voting powers and control contained in Section 3 of Article IV above; or (b) the fundamental purposes for which the Association is organized.

2. Other Amendments. Except as provided in Article IX, Section 1 above, the consent of sixty-six and two-third percent (66 2/3%) of the Members present, in person or by proxy, who are entitled to vote at a duly called and notice meeting of the Association shall be required to amend these Articles.

ARTICLE X
INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHER

The Association shall indemnify every person who is or has been a member of the Board of Trustees, an officer, an agent, or an employee of the Association and those persons' respective heirs, legal representatives, successors and assigns, against expenses, including attorney 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 this person was or is a party or is threatened to be made a party because this person was a member of the Board of

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Trustees, an officer, an employee, or an agent of the Association, or is or was serving in such a capacity at the request of the Association, provided that this person (a) acted in good faith and in a manner that person believed to be in or not opposed to the Association's best interests, and (b) in any matter the subject of a criminal action or proceeding, had no reasonable cause to believe that the questioned conduct was unlawful, provided, however, that if an action or suit by or in the right of the Association, to procure a judgment in its favor against this person because of this person's serving in this capacity, is threatened, pending, or completed, no indemnification shall be made in respect of any claim, issue, or matter as to which this 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 circumstances of the case this person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Unless ordered by the court, the determination of indemnification, pursuant to the foregoing criteria, shall be made (a) by a majority vote of a quorum of the Association's Board of Trustees who were 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 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 has performed services for the Association or any person to be indemnified within the past five years, or (c) by the Owners, or (d) by the court in which such action, suit or proceeding was brought.

Such an indemnification is not exclusive of any other rights to which this person may be entitled under law, any agreement, or any insurance purchased by the Association, or by vote of Owners, or otherwise.

ARTICLE XI **TAX EXEMPT STATUS**

The Association is organized as a not-for-profit corporation pursuant to Chapter 1702 of the Ohio Revised Code, and is subject to Section 528 of the Internal Revenue Code. No part of the net earnings of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private individual, including, but not limited to, the members of the Board of Trustees, and the Association's officers or members.

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IN WITNESS WHEREOF, the following hereunto have
subscribed her name this 10th day of December, 1996.



Karen R. Adams

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