

88212

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
NON-PROFIT CORPORATION

DUPLICATE
ORIGINAL ARTICLES OF INCORPORATION

The undersigned, acting as incorporator(s) of a corporation under Chapter 7-6 of the General Laws, 1956, as amended, adopt(s) the following Articles of Incorporation for such corporation:

FIRST: NAME

The name of this corporation is LAUREL WOOD PROPERTY OWNERS ASSOCIATION, INC. (hereinafter, the "Association").

SECOND: TERM

The term of the Association shall be perpetual.

THIRD: PURPOSE

The purpose for which this Association is organized is to operate and manage the Laurel Wood Planned Development zone, a residential subdivision located upon lands located in the Town of East Greenwich, County of Kent, State of Rhode Island, and hereinafter referred to as the "Development".

The Association is to undertake the performance of and to carry out the acts and duties incident to the administration, operation and management of the Development in accordance with the terms, provisions, conditions, and authorizations contained in these Articles of Incorporation, and which may be contained in the Declaration of Covenants, Conditions and Restrictions (the "Declaration"), recorded in the Land Records of the Town of East Greenwich, Rhode Island, in Book 191 at Page 68, encompassing the real property described in the Declaration and the improvements thereon that are submitted to common ownership of Lot Owners in the Development and to own, maintain, manage, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary and convenient in the administration of the Development.

The Association shall make no distributions of income to its members, directors or officers.

FILED
FEB 12 1996
BY *[Signature]*
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FOURTH: POWERS AND OPERATIONS

A. POWERS: The powers of the Association shall include the following provisions:

1. The Association shall have all the common law and statutory powers of a non-business corporation (Chapter 7-6), not for profit, which are not in conflict with the terms of these Articles, the Declaration, or the By-Laws.

2. The Association shall have all of the powers and duties granted to a homeowners association by the terms of the Declaration. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association and all of the powers granted to it in the Declaration. Without limiting the generality of the foregoing, the Association shall have power:

- (a) to make and collect assessments, fees and other charges against members as Lot Owners, and to use the proceeds thereof in the exercise of its powers and duties;
- (b) to buy, own, operate, lease, sell, trade and mortgage both real and personal property as may be necessary or convenient in the administration of the Development;
- (c) to make and amend reasonable rules and regulations for the maintenance, conservation and use of the Development and for the health, comfort, safety and welfare of the Lot Owners;
- (d) to approve or disapprove the leasing, transfer, mortgaging, ownership and possession of the Lots as may be provided by the Declaration;
- (e) to contract for the management of the Development and to delegate to such contractors all powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Directors or the Lot Owners as members of the Association;
- (f) to maintain, repair, replace, reconstruct, add to and operate the general Common Areas and/or the Areas of Common Responsibility of the Development, as set forth in the Declaration, and other property

acquired or leased by the Association for use by the Lot Owners;

- (g) to purchase insurance upon the Property and insurance for the benefit and/or protection of the Association, its officers, directors, and members as Lot Owners;
- (h) to employ personnel to perform the services required for the proper operation of the Development.

3. All funds and the titles of all properties acquired by the Association and any proceeds therefrom, shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the By-Laws.

4. The Association shall make no distribution of income to its members, directors or officers.

5. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration and the By-Laws.

B. MEMBERS. The qualification of members, the manner of their admission to membership, termination of such membership, and voting by such members shall be as follows:

1. Each Owner (including the Declarant) who is the record owner of a fee or undivided fee interest in any Lot that is subject to the Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No owner, whether one or more persons, shall have more than one (1) membership per Lot owned. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in the By-Laws. The rights and privileges of membership, including the right to vote, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote for the class of membership applicable to a particular Lot be cast for each such Lot.

2. The Association shall have two (2) classes of membership, Class "A" and Class "B" as follows:

- (a) Class "A". Class "A" members shall be all Owners of Lots, with the exception of the Class "B"

members, if any. Class A members shall be entitled on all issues to one (1) vote for each Lot in which they hold the interest required for membership by Section 1 hereof. There shall be only (1) vote per Lot. When more than one person or entity holds such interest in any Lot, the vote for such Lot shall be exercised as those persons or entities themselves determine and advise to the Secretary of the Association prior to any meeting. In the absence of such advisement, the Lot's vote shall be suspended in the event more than one such person or entity seeks to exercise it.

Any Owner of Lots which are leased may, in the lease or otherwise written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is received by the Secretary prior to any meeting.

(b) Class "B". Class "B" members shall be the Declarant, and any successor of the Declarant who takes title for the purpose of development and sale. The Class "B" members shall originally be entitled to twenty (20) votes; this number shall be decreased by one (1) vote for each Class "A" vote outstanding at any one time. The Class "B" membership shall terminate and become converted to Class "A" membership upon the happening of the earlier of the following:

(i) When the total outstanding Class "A" votes equal or exceed nineteen (19); or

(ii) When, in its discretion, the Declarant so determines and executes and records, in the Land Evidence Records of the Town of East Greenwich, an instrument stating such determination.

From and after the happening of these events, whichever occurs earlier, the Class "B" members shall be deemed to be Class "A" members entitled to one (1) vote for each Lot in which the interest required for the membership under Section 1 hereof is held. At such time, the Declarant shall call a meeting as provided in the By-Laws for special meetings to advise the membership of the termination of Class "B" status.

3. The share of a member in the funds and assets of the Association, if any, cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Lot owned by the member.

4. The By-Laws shall provide for an annual meeting of members, and may make provisions for regular and special meetings of members other than the annual meeting.

C. DIRECTORS.

1. The property, business and affairs of the Association shall be managed by a Board of Directors (the "Board"), consisting of the number of directors determined by the By-Laws, but not fewer than three (3) directors. Directors need not be members of the Association or owners of Lots in the Development.

2. All of the duties and powers of the Association existing under the Declaration, these Articles and the By-Laws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Lot Owners, Mortgagees or the Declarant, where such approval is specifically required by the terms of the Declaration.

3. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the By-Laws.

4. The Declarant shall appoint the members of the first Board of Directors who shall hold office for the period described in the By-Laws.

D. OFFICERS. The affairs of the Association shall be administered by the officers holding the offices designated in the By-Laws. The officers shall be elected by the Board at the first meeting following the annual meeting of the members of the Association, and shall serve at the pleasure of the Board. The By-Laws may provide for the removal of officers, for filling vacancies, and for the duties of the officers.

E. INDEMNIFICATION.

1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably

believed to be in, or not opposed to, the best interests or the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

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 gross negligence, misfeasance or malfeasance in the performance of his or her duty to the Association unless, and only to the extent that, the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that such court shall deem proper.

The termination of any such acts, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceedings, had reasonable cause to believe that his or her conduct was unlawful.

2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 1 above, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

3. Any indemnification under Section 1 above (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 director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 above. Such determination shall be made by:

- (a) the Board, by a majority vote of a quorum of directors who were not parties to such action, suit or proceeding, or
- (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or
- (c) by a majority of the members of the Association.

4. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of a director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is not entitled to be indemnified by the Association as authorized in this Article.

5. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of members or otherwise, both as to action in his or her official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

6. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article.

G. AMENDMENTS.

1. For such time as the Declaration is entitled to control the Association as provided in the Declaration and in the Act, and subject to any restrictions as to subject matter contained in the Declaration and/or By-Laws, these Articles may be amended by the Declarant in its sole discretion, and in addition thereto, the proceedings of meetings of the Association shall have no effect unless approved by the Declarant as to the amendment of the Declaration or any other constituent document of the Development. This right is subject, however, to the provision that the Developer cannot make any substantial change in the purpose of the Association.

2. These Articles may also be amended in the following manner:

- (a) Notice of the subject matter of the proposed amendment shall be included in a notice of any regular and special meeting at which such proposed amendment is to be considered.

- (b) A resolution approving a proposed amendment may be proposed by either a majority of the Board or by members representing one third (1/3) of the Lots of the Development.
- (c) After being proposed and approved by one of said bodies, it must be submitted for approval and thereupon receive approval by the other body.
- (d) Such approval must be by affirmative vote of two thirds (2/3) of the votes of the members of the Association, and by an affirmative vote of two thirds (2/3) of the members of the Board.

3. No amendment shall make any changes in the qualifications for membership or in the voting rights or property rights of members, nor any changes in Section 3, 4 and 5 of Article III ("Powers") hereof, without the approval in writing of all members and the joinder of all record owners of mortgages upon Lots. No amendment shall be made that is in conflict with the Lots, the Declaration or By-Laws, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of the Declarant, unless the Declarant shall join in the execution of the amendment.

FIFTH: REGISTERED OFFICE

The address of the initial registered office of the corporation is 2 Williams Street, Providence, Rhode Island 02903, and the name of the initial registered agent at such address is Scott A. Ritch.

SIXTH: INITIAL BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as the initial directors are:

NAME	ADDRESS
Gary L. Galkin	24 Hammond Hill Saunderstown, RI 02874
Barry E. Devine	30 Liberty Road Slocum, RI 02877

Christine M. Galkin

24 Hammond Hill
Saunderstown RI 02874

SEVENTH: INCORPORATORS

The name and address of each incorporator is:

NAME

ADDRESS

Scott A. Ritch

c/o Ursillo, Teitz & Ritch, Ltd.
2 Williams Street
Providence, RI 02903

EIGHTH: EFFECTIVE DATE

The date when the corporate existence begins is
February 12, 1996.
per

Dated: January 31, 1996.

Scott A. Ritch

INCORPORATOR
SCOTT A. RITCH