

**State of Indiana  
Office of the Secretary of State**

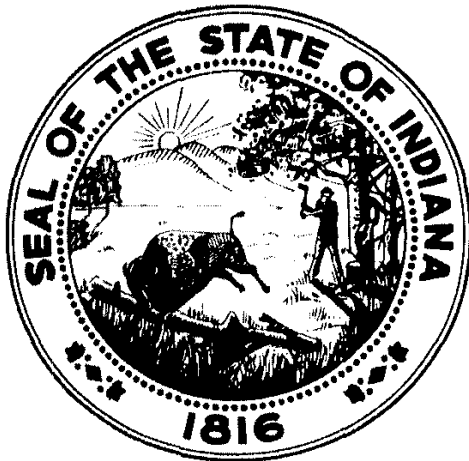
**CERTIFICATE OF INCORPORATION**

of

**STONEGATE COMMUNITY PROPERTY OWNERS ASSOCIATION, INC.**

I, TODD ROKITA, Secretary of State of Indiana, hereby certify that Articles of Incorporation of the above Non-Profit Domestic Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Nonprofit Corporation Act of 1991.

NOW, THEREFORE, with this document I certify that said transaction will become effective Monday, February 03, 2003.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, February 3, 2003.

A handwritten signature in black ink that reads "Todd Rokita".

TODD ROKITA,  
SECRETARY OF STATE

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ARTICLES OF INCORPORATION

OF

STONEGATE COMMUNITY PROPERTY OWNERS ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended (the "Act"), executes the following Articles of Incorporation:

**ARTICLE I**

**Name**

**Section 1.01. Name.** The name of this corporation shall be **Stonegate Community Property Owners Association, Inc.** (hereinafter the "Corporation").

**Section 1.02. Type of Corporation.** The Corporation is a mutual benefit corporation.

**Section 1.03. Definitions.** Terms which are capitalized herein and not otherwise defined, shall have the meaning as defined in a certain Declaration of Covenants, Conditions and Restrictions for the Stonegate Community recorded in the Office of the Recorder of Boone County, Indiana, on or about January 6, 2003 as Instrument No. 0300407, and all subsequent supplements and amendments thereto (hereinafter the "Declaration").

**ARTICLE II**

**Purposes and Powers**

**Section 2.01. Primary Purposes.** The purposes for which this Corporation is formed are to own, manage, maintain, preserve, repair and reconstruct the Common Areas (as such term is defined in the Declaration) and provide architectural control of the Lots (as such term is defined in the Declaration) at Stonegate, a subdivision in Eagle Township, Boone County, Indiana ("Stonegate"), to enforce the restrictions imposed by the Declaration and to exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration.

**Section 2.02. Additional Purposes.** In addition, the Corporation is formed for the promotion of the health, safety and welfare of the residents of Stonegate and other non-profitable purposes that are authorized by the Act and permitted to be carried on by an organization exempt from Federal income taxation under the provisions of Section 528 of the Internal Revenue Code of 1986 (hereinafter referred to as the "Code") and the Regulations issued pursuant thereto, as amended.

**Section 2.03 Specific Powers.** Subject to any specific written limitations or restrictions imposed by the Act, by the Code, by other law, or by the Declaration or the Articles, and solely in furtherance of but not in addition to the purposes set forth in Section 2.01 and 2.02 of these Articles, the Corporation shall have the following specific powers:

(a) **To Manage, etc.** To manage, maintain, repair and/or replace the Common Areas as and to the extent provided by the Declaration for the benefit and use of the members of the Corporation subject to the By-laws and the Declaration.

(b) **To Make Assessments.** To fix, levy and collect Assessments (as such term is defined in the Declaration) and to enforce payment thereof by all lawful means.

(c) **To Promulgate Rules.** To promulgate such rules and regulations and perform such deeds as are deemed necessary to achieve the aforesaid purposes.

(d) **To Insure.** To secure from insurers licensed and approved in the State of Indiana, appropriate fire/property damage coverage, comprehensive general liability coverage and such other forms of insurance as may be deemed necessary or appropriate or as required by the Declaration.

(e) **To Secure Services.** To secure professional managerial services by employing a professional manager, contracting with a professional management service or entity, or otherwise, which services may include administrative, managerial, bookkeeping, legal architectural, engineering, maintenance, repair, construction and other services.

(f) **To Acquire and Dispose of Property.** To acquire by gift, purchase or other means, to own, hold, enjoy, lease, operate, maintain, convey, sell, transfer, mortgage or otherwise encumber or dedicate for public use, real or personal property in connection with the business of the Corporation, subject to the provisions of the Declaration.

(g) **To Borrow.** To borrow money and, subject to the provisions of the Declaration, to give, as security therefor, a mortgage or other security interest in any or all real or personal property owned by the Corporation, or a pledge of monies to be received pursuant to the provisions of the Declaration or any supplemental declaration, and to assign and pledge its right to make Assessments and its rights to claim a lien therefor.

(h) **To Appoint a Fiscal Agent.** To appoint any person as its fiscal agent to collect all Assessments and charges levied by the Corporation and to enforce the Corporation's liens for unpaid Assessments and charges or any other lien held by the Corporation.

(i) **To Make Contracts.** To enter into, perform, cancel and rescind all kinds of contractual obligations, including the guarantee of the obligations and performance of others.

(j) **To Act With Others.** To perform any act which the Corporation acting alone has the power and capacity to perform by acting as a partner or otherwise in association with any person or persons, whether legally constituted or informally organized.

(k) **To Pay.** To pay all operating expenses, including all licenses, taxes or governmental charges levied or imposed against the property.

(l) **To Merge.** To participate in mergers and consolidations with other nonprofit corporations organized for the same purpose.

(m) **To Otherwise Act.** To have and to exercise any and all powers, rights and privileges which a corporation organized under the Act may now or hereafter have or exercise.

#### **Section 2.04. Limitations Upon Powers.**

(a) **Earnings.** No member of the Corporation shall have or receive any earnings from the Corporation, except a member who is an employee of the Corporation, in which event he may receive fair and reasonable compensation for his services as an employee; and a member may also receive payments of principal and interest at a rate not exceeding that from time to time permitted by the Act on funds loaned or advanced by him to the Corporation.

(b) **Loans to Directors.** The Corporation shall make no advancements for services to be performed in the future, nor any loan of money or property to any director or officer of the Corporation.

(c) **Dissolution.** In the event of dissolution of the Corporation, all assets remaining after payment of all debts of the Corporation, including advances and loans of members of the Corporation, and, if so authorized by the Board of Directors, distribution to members of the Corporation of such amounts as may be authorized by the Act, shall be dedicated by the Board of Directors to an appropriate public agency to be used for purposes similar to those for which this Corporation was organized. In the event such dedication is refused acceptance, such assets shall be transferred by the Board of Directors to the State of Indiana or any instrumentality or subdivision thereof exclusively for public purposes, or to any nonprofit corporation whose purposes are substantially the same as those of the Corporation and which, at the time of transfer, is exempt from Federal taxation under Section 501(c)(3), 501(c)(4) or 528 of the Code. Any such assets not so dedicated or transferred by the Board of Directors shall be

disposed of in accordance with the Act. No member, director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any assets of the Corporation on dissolution of the Corporation, except as otherwise provided in these Articles or in the Act.

(d) **Prohibited Activities.**

(i) No part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation, or to any private individual;

(ii) No substantial part of the activities of the Corporation shall be devoted to attempting to influence legislation by propaganda or otherwise within the meaning of the prospective provisions of the Code;

(iii) The Corporation shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of, or in opposition to, any candidate for public office;

(iv) Notwithstanding any other provision of these Articles, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by any organization exempt from Federal taxation under Section 528 of the Code and Regulations issued pursuant thereto, as amended, if the effect thereof is to subject the gross income of the Corporation to federal income taxation at rates established for corporations engaged in business for profit unless the purposes of the Corporation set forth in Section 2.01 of these Articles cannot otherwise be achieved.

### ARTICLE III

#### Period of Existence

**Section 3.01 Period of Existence.** The period during which the Corporation shall continue is perpetual.

## ARTICLE IV

### Registered Agent and Registered Office

**Section 4.01 Registered Agent.** The name and address of the Registered Agent in charge of the Corporation's registered office is Lawrence A. Reitz, M.D., 7750 East State Road 334, Zionsville, Indiana 46077.

**Section 4.02 Registered Office.** The post office address of the registered office of the Corporation is 7750 East State Road 334, Zionsville, Indiana 46077.

## ARTICLE V

### Membership

**Section 5.01. Membership.** Every Owner shall be a Member of the Association. If a Unit (as such term is defined in the Declaration) is owned by more than one person, all co-owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth below and in the By-Laws, and all such co-owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner which is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Corporation. Proper Members also shall be entitled to share the privileges of membership and use and enjoyment of the Common Areas, subject to payment when required of Dues (as such term is defined in the Declaration), in amounts and payable as from time to time established by the Board.

**Section 5.02. Class of Membership.** The Corporation shall have three (3) classes of members as follows:

(a) Class A. Class A members consist of Owner or Owners of each Dwelling Unit (as such term is defined in the Declaration). Class A members shall have one (1) vote for each Dwelling Unit in which the interest required for membership is held, subject to a limit of one vote per Dwelling Unit.

(b) Class B. Class B members shall have one (1) vote for each seven hundred (700) square feet of finished floor Area for each Commercial Unit (as such term is defined in the Declaration) in which the interest required for membership is held (rounded down to the nearest 700 square feet increment of finished floor area).

(c) Class C. Class C members consist of (i) of a non-owner occupant of either a Commercial or a Dwelling Unit; or (ii) the Owner or Owners of a Lot in

Stonegate Proper, the fourteen (14) lot subdivision located generally east of the Development. Class C members shall not be entitled to vote.

**Section 5.03. Termination or Suspension of Membership.** Voting rights for a class may not be altered without both: (i) amendment of the Declaration; and, (ii) the unanimous consent of the Members of the particular class. In any situation in which a Member is entitled personally to exercise the vote(s) for his/her Unit and there is more than one Owner of a particular Unit, the vote(s) for such Unit shall be exercised as such co-owners determine among themselves and advise the Secretary of the Corporation in writing prior to any meeting. Absent such advice, the Unit's vote(s) shall be suspended if more than one (1) person seeks to exercise it.

**Section 5.04 Meetings of Members.** All meetings of the Members shall be held at such place within the State of Indiana as may be designated by the Board of Directors pursuant to the provisions of the By-Laws.

**Section 5.05 No Preferences, etc.** There shall be no other preferences, limitations, or restrictions with respect to the relative rights of the Members.

**Section 5.06 Board of Directors.** At such time as the Developer (as such term is defined in the Declaration) elects, but not later than that point in time when Developer has sold eighty five percent (85%) of the Units within the Development, the Board shall be increased to a seven (7) person board, elected by the Class A and Class B Members. At least two (2) of the directors shall be selected from among the Owners in Stonegate Village Neighborhood (as such term is defined in the Declaration) and elected by a majority of the Owners in such Neighborhood, and at least one (1) of the directors shall be selected from the Owners within the Professional Business District Neighborhood (as such term is defined in the Declaration), and elected by the Owners within such Neighborhood.

## ARTICLE VI

### Directors

**Section 6.01. Number of Directors.** The Initial Board of Directors of the Corporation (hereinafter the "Initial Board") shall consist of three (3) members. The number of Directors of the Corporation shall be specified from time to time in the By-Laws, but the minimum number shall be three (3) and the maximum number shall be seven (7) and, if the By-Laws fail to specify the number, then the number shall be three (3).

**Section 6.02. Names and Post Office Addresses.** The names and post office addresses of the persons constituting the initial Board are as follows:

Lawrence A. Reitz, II  
6115 Stonegate Run  
Zionsville, Indiana 46077

Lawrence A. Reitz, M.D.  
7750 East State Road 334  
Zionsville, Indiana 46077

Carol Reitz  
7750 East State Road 334  
Zionsville, Indiana 46077

## ARTICLE VII

### Incorporator

**Section 7.01. Name and Address of Incorporator.** The name and post office address of the incorporator is Lawrence A. Reitz, M.D., 7750 East State Road 334, Zionsville, Indiana, 46077.

## ARTICLE VIII

### Statement with Respect to Property

**Section 8.01. Property of Corporation.** The Corporation, upon its incorporation, has no property value.

## ARTICLE IX

### Provision for Regulation and Conduct of the Affairs of the Corporation

**Section 9.01. Management of Corporation.** The affairs of the Corporation shall be managed by the Board of Directors.

**Section 9.02. Code of By-Laws.** The Board of Directors of the Corporation shall have the power, without the assent of the Members, to make, alter, amend, or repeal the By-Laws.

**Section 9.03. Officers.** The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as may be prescribed by the By-Laws or prescribed by resolution of the Board of Directors in the manner specified in the By-Laws. The offices of President and Secretary shall not be occupied by the same Person.

**Section 9.04. Term of Office of Directors and Officers.** Each officer and director shall hold his office for the term specified in the By-Laws, but no term shall end until a successor is elected and qualified for the office to be vacated.



**Section 9.05. Removal of Member of the Board of Directors.** Any member of the Board of Directors may be removed, with or without cause, at a meeting of the members called for such purpose by the affirmative vote of a majority of all the votes allocated to members.

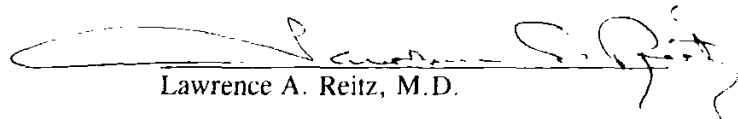
**Section 9.06. Amendment of Articles of Incorporation.** The Corporation reserves the right to amend, alter, change or repeal any provisions contained in the Articles or any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or any amendment thereto; but such power of amendment does not authorize any amendment that would permit any part of the net earnings of the Corporation to inure to the benefit of any private individual, that would modify the provisions of Section 2.04 if such modification would have the effect of disqualifying this Corporation as an organization exempt from Federal income taxation under the provisions of Section 528 of the Code, as amended, or such equivalent provision as may hereafter exist from time to time, or that would be in conflict with the provisions of the Declaration.

## ARTICLE X

### Adoption

**Section 10.01. Adoption by Incorporator.** The undersigned, being the sole Incorporator does hereby adopt these Articles of Incorporation, representing by his execution hereof to the Secretary of State of the State of Indiana and all persons whom it may concern that a membership list of the Corporation for which a Certificate of Incorporation is hereby applied for has heretofore been opened in accordance with the Act and that at least one (1) person has signed such membership list.

IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation and verifies, subject to penalties of perjury, that the facts contained herein are true this 23<sup>rd</sup> day of January, 2003.

  
Lawrence A. Reitz, M.D.