

APPROVED
AND
FILED

ARTICLES OF INCORPORATION
OF

INDIANA SECRETARY OF STATE
RECEIVED

Paul R. [Signature]
IND. SECRETARY OF STATE

STONECHASE HOMEOWNERS ASSOCIATION, INC. 2008 JUN -3 AM 11:29

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

ARTICLE I
NAME

Section 1.01 Name. The name of this Corporation is STONECHASE HOMEOWNERS ASSOCIATION, INC.

ARTICLE II
PURPOSES AND POWERS

Section 2.01 Type of Corporation. This Corporation is a mutual benefit corporation.

Section 2.02 Primary Purposes. The purposes for which this Corporation is formed are to own, manage, maintain, reserve, repair and reconstruct the Common Area, provide architectural control of the Lots at Stonechase and exercise all of the power and privileges, and perform all of the duties and obligations, of the Corporation as set forth in the Declaration.

Section 2.03 Additional Purposes. In addition, the Corporation is formed for the promotion of the health, safety and welfare of the residents of Stonechase 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 Code.

Section 2.04 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 2.02 and Section 2.03 of these Articles, the Corporation shall have the following specific powers:

- (a) To Manage, etc. To manage, maintain, repair and replace the Property for the benefit and use of the members of the Corporation subject to such restraints or suspensions of use and voting rights of members as are provided herein, in the By-Laws, and in the Declaration.
- (b) To Make Assessments. To fix, levy, and collect Assessments 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.
- (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, 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 Common Expenses, and including all licenses, taxes or governmental charges levied or imposed against the Property to the extent the same is separately assessed against the Property.
- (l) To Merge. To participate in mergers and consolidations with other not-for-profit 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 2.05 Limitations Upon Powers. No part of the net earnings of the Corporation shall inure to the benefit of any Director or Officer of the Corporation or to any private individual, except that the Corporation shall be authorized and empowered to reimburse any such Director or Officer for actual expenses incurred in the performance of his/her duties. No substantial part of the activities of the Corporation shall consist of attempting to propose, support, oppose, advocate the adoption or rejection of, or otherwise influence legislation by propaganda or otherwise, and the Corporation shall not participate in or intervene (including the publication or distribution of statements) in any political campaign on behalf of, or in opposition to, any candidate for public office. 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 an organization exempt from federal taxation under Section 528 of the Code and the Applicable Regulations or the corresponding provisions of any subsequent federal tax laws 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 2.02 of these Articles cannot otherwise be achieved.

ARTICLE III
REGISTERED OFFICE AND REGISTERED AGENT

Section 3.01 **Registered Office.** The street address of the registered office of the Corporation is Community Association Services of Indiana, 11711 North College Avenue, Suite 100, Carmel, Indiana 46032.

Section 3.02 **Registered Agent.** The name of the registered agent of the Corporation at the registered office is Becky Cruse.

ARTICLE IV
MEMBERSHIP

Section 4.01 **Classes of Membership and Voting Rights.** The Association shall have the following two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the members holding an interest in such Lot determine among themselves, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot owned. For purposes of this calculation, it shall be assumed that Declarant owns all Lots, which number shall be reduced as Lots are conveyed by the Declarant to an Owner. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) December 31, 2020; or

(ii) When the total number of votes outstanding in the Class A membership is equal to the total number of votes outstanding in the Class B membership; provided, however, that the Class B Membership shall recommence in the event that the Declarant subsequently records a plat of part of or all of the Property and, by virtue thereof, total number of votes outstanding in the Class A Membership is no longer equal to or greater than the total number of votes outstanding in the Class B Membership; or

(iii) The date on which the Class B Member agrees in writing to the cessation and conversion of the Class B membership.

ARTICLE V
DIRECTORS

Section 5.01 **Number of Directors.** The initial Board of Directors of the Corporation 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 fails to specify the number, then the number shall be three (3).

Section 5.02 **Initial Directors.** The initial members of the Board of Directors are Steve Cook, Lisa Hupfer, and Lance Brock.

Section 5.03 Appointment of Directors. Prior to expiration of the Development Period, the members of the Board of Directors shall be appointed by Declarant. Thereafter they shall be elected by the Members in accordance with the provisions of the By-Laws.

ARTICLE VI
INCORPORATOR

Section 6.01 Name and Address of Incorporator. The name and post office address of the incorporator is as follows:

Name	Address
Steve Cook	9202 North Meridian Street, Suite 300 Indianapolis, Indiana 46260

ARTICLE VII
PROVISION FOR REGULATION AND CONDUCT
OF THE AFFAIRS OF CORPORATION

Section 7.01 Management of Corporation. The affairs of the Corporation shall be managed by the Board of Directors.

Section 7.02 Code of By-Laws. Subject to the provisions of Section 7.04, 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 7.03 Amendment of Articles of Incorporation. The Corporation reserves, subject to the provisions of Section 7.04, the right to amend, alter, change or repeal any provisions contained in the Articles or in 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 2.05 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.

Section 7.04 Approval by Declarant. Prior to the expiration of the Development Period, each amendment to these Articles and to the Code of By-Laws must be approved in writing by Declarant.

ARTICLE VIII
DISSOLUTION

Section 8.01 Dissolution. In the event of dissolution of the Corporation, assets remaining after payment of all debts of the Corporation shall be transferred by the Board of Directors to the City of Bloomington, Indiana to be used for purposes similar to those for which this Corporation was organized. If such transfer is refused, then 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, trust, foundation or other organization whose purposes are substantially the same as one or more of the purposes of the Corporation set forth in Section 2.02 hereof and which, at the time of transfer, is exempt from Federal income taxation under Sections 501(c)(3), 501(c)(4) or 528 of the Code or the corresponding provisions of any subsequent federal tax laws. Any such assets not so transferred by the

Board of Directors shall be disposed of by the Circuit Court of Hamilton County, Indiana exclusively for such charitable purposes or to such charitable organization as the Court shall determine. No Director or Officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the assets of the Corporation on dissolution of the Corporation.

ARTICLE IX DEFINITIONS

Section 9.01 Terms. The following terms, as used in these Articles, and in the By-Laws, unless the context clearly requires otherwise, shall mean the following:

“Act” means The Indiana Nonprofit Corporation Act of 1991, as amended from time to time.

“Applicable Regulations” means the regulations issued with respect to referenced provisions of the Code by the Internal Revenue Service as the same may be amended from time to time.

“Articles” means the Articles of Incorporation of the Corporation, as amended from time to time.

“Assessments” means all sums lawfully assessed against the Members by the Corporation or as declared by the Declaration, the Articles or the By-Laws.

“Board of Directors” means the governing body of the Corporation.

“By-Laws” means the Code of By-Laws of the Corporation, as amended from time to time.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Area” has the meaning specified in the Declaration.

“Corporation” means Stonechase Homeowners Association, Inc., an Indiana non-profit corporation.

“Declarant” means Beazer Homes Indiana LLP, an Indiana limited liability partnership, and its successors and assigns to its interest in the Real Estate other than Owners purchasing Lots by deed from Declarant (unless the conveyance indicates an intent that the grantee assume the rights and obligations of Declarant).

“Declaration” means the Declaration of Covenants, Conditions and Restrictions of Stonechase which has been or will be recorded in the office of the Recorder of Monroe County, Indiana, as the same may be amended or supplemented from time to time.

“Development Period” means the period of time commencing with Declarant’s acquisition of the Property and ending when Declarant has completed the development and sale of, and no longer owns, any Lot or any other portion of the Property. The Development Period shall recommence each time the Declarant acquires any part (or all) of the Additional Property.

"Lot" or "Lots" means, as the context requires, any parcel or parcels of land designated as such upon the Plat (as hereinafter defined) or, after construction, that parcel of land upon which there is constructed one (1) single detached Dwelling Unit. Subject to any necessary approval of the appropriate governmental authority, a "Lot" may contain portions of real estate greater or less than its originally platted dimensions should the Declarant deem it advisable in order to accommodate the construction of a Dwelling Unit.

"Member" means a Member of the Corporation.

"Owner" means a Person, including Declarant, who at the time has or is acquiring any interest in a Lot except a Person who has or is acquiring such an interest merely as security for the performance of an obligation.

"Person" means an individual, firm, corporation, partnership, association, joint venture, trust or other legal entity, or any combination thereof.

"Property" means the Common Area and appurtenant easements, improvements and other property of every kind and nature whatsoever, real, personal or mixed, located upon the Common Area or used or held for use in connection with the business or operation of the Corporation.


"Real Estate" means the real estate described in Exhibit A to the Declaration.


"Stonechase" means the residential community developed on the Property and any additions thereto pursuant to the Declaration.

"Supplemental Declaration" means any amendment or supplement to the Declaration recorded in the office of the Recorder of Monroe County, Indiana.

Section 9.02 Other Terms. Any undefined term used herein or in the By-Laws shall, unless the context requires otherwise, have the meaning set forth in Article II of the Declaration.

IN WITNESS WHEREOF, the undersigned, being the Incorporator designated in Article 6, executes these Articles of Incorporation effective the 11th day of January, 2008.



(Signature)


(Printed Name)

**CODE OF BY-LAWS
OF
STONECHASE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

The definitions and terms as defined and used in the Articles of Incorporation shall have the same meaning in these By-Laws and reference is specifically made to Article 9 thereof containing definition of terms.

**ARTICLE II
MEETINGS OF MEMBERS**

Section 2.01 Place of Meetings. All meetings of the Members shall be held at such place in Hamilton County, Indiana as may be designated by the Board of Directors and specified in the respective notices or waivers of notice thereof.

Section 2.02 Annual Meeting. Prior to the expiration of the Development Period, an annual meeting of the Members shall be held between April 1 and June 30 of each year.

Section 2.03 Special Meetings. Special meetings of the Members may be called by the President, by a majority of the Board of Directors, or by written petition signed by not less than one-tenth (1/10) of all of the Members.

Upon a request in writing delivered to the President or the Secretary by a Person or Persons entitled to call a special meeting, it shall be the duty of the President or the Secretary to give notice to the Members of such meeting, and, if such request is refused, the Person or Persons making such request may call a meeting by giving notice in the manner hereinafter provided.

Business transacted at all special meetings shall be limited to the subjects stated in the call or waiver of notice, and matters germane thereto.

Section 2.04 Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which such meeting is called, shall be delivered or mailed by the Secretary or by the officer or Person calling the meeting to each Member at such address as appears on the records of the Corporation at least ten (10) days before the date of the meeting or, if notice is mailed by other than first class or registered mail, sixty (60) days before the date of the meeting. Notice of any meeting may be waived in writing filed with the Secretary by any Member if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting shall constitute a waiver of notice of that meeting.

Section 2.05 Voting Lists. After fixing a record date for a notice of a meeting, the Secretary shall prepare a complete list of Members entitled to notice of a meeting of Members, containing the address and number of votes each Member is entitled to cast at the meeting. The Secretary shall prepare on a current basis through the time of the membership meeting a list of Members, if any, who are entitled to vote at the meeting, but are not entitled to notice of the meeting. Such lists may be inspected by any Member, for any proper purpose, at any reasonable time.

Section 2.06 Quorum. At any meeting of the Members fifty percent (50%) of the Members entitled to vote at such meeting, present in person or by proxy executed in writing, shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, the Members present in person or by proxy, by a majority vote and without notice, may adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted for which notice was originally given. The Members present at a duly organized meeting may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 2.07 Voting Rights. The voting rights of the Members shall be as prescribed in the Articles. In any election of Directors, no Member shall have the right to multiply the number of votes to which such Member may be entitled by the number of Directors to be elected. A majority of the votes cast at a meeting of the Members, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter that may properly come before the meeting unless more than a majority of votes cast is required by law, the Declaration, the Articles or these By-Laws.

Section 2.08 Multiple Owner. Where the Owner of a Lot constitutes more than one person, or is a partnership, there shall be only one (1) voting representative entitled to cast the vote allocated to that Lot. Those persons constituting such Owner or the partners shall determine among themselves who shall be the voting representative for such Lot. In the event agreement is not reached the vote attributable to such Lot shall not be cast.

Section 2.09 Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the board of directors of such corporation shall cast the vote to which the corporation is entitled.

Section 2.10 Proxies. A Member may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Member shall designate his attorney-in-fact in writing, delivered to an officer of the Corporation prior to the commencement of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless a longer time is expressly provided in the proxy.

Section 2.11 Action Without a Meeting. Any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if, prior to the action, a consent in writing setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and such written consent is filed with the minutes of the proceedings of the Members. Such consent shall have the same effect as a unanimous vote of the Members.

Section 2.12 Meeting by Telephone, etc. Any or all of the Members may participate in a meeting by or through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

ARTICLE III **BOARD OF DIRECTORS**

Section 3.01 Functions. The business, property and affairs of the Corporation shall be managed and controlled by a Board of Directors as from time to time constituted (herein collectively called "Board" or "Directors" and individually called "Director").

Section 3.02 Board of Directors. The Board of Directors of the Association shall be appointed and/or elected as prescribed by the Association's Articles and By-Laws. The Board of Directors shall manage the affairs of the Association.

Section 3.03 Eligibility. No person shall be a Director who is not a Member or a designee of Declarant.

Section 3.04 Number. The number of Directors comprising the Board shall be three (3), which number may from time to time be increased by resolution adopted by not less than a majority of the Board of Directors. In no event shall the number of Directors prior to the expiration of the Development Period be less than three (3) nor more than seven (7) and no reduction in the number of Directors shall have the effect of removing a Director from office prior to the expiration of his term. In the event the number of Directors is increased prior to the expiration of the Development Period, the additional Director or Directors shall be appointed by Declarant as provided in Section 5.03 of the Articles. In the event the number of Directors is increased subsequent to the expiration of the Development Period as provided herein, the election of the additional Director or Directors shall be by a vote of the Members entitled to elect such additional Director or Directors according to a procedure established by the Board by resolution.

Section 3.05 Appointment. Prior to the expiration of the Development Period, Directors shall be appointed by Declarant as provided in Section 5.03 of the Articles.

Section 3.06 Nomination. Candidates for the first Board of Directors to be elected following the expiration of the Development Period may declare their candidacy at the first annual meeting following the expiration of the Development Period. A ballot of all persons declaring their candidacy at such meeting shall be prepared and voted on at such meeting. All candidates for all future elections of the Board of Directors will be required to file a petition for candidacy, signed by not less than three (3) Members, with the Elections Committee at least three (3) weeks prior to the annual meeting. The Elections Committee shall provide all Members with a ballot containing the names of all bona fide candidates not less than ten (10) days before the annual meeting.

Section 3.07 Election. Subsequent to the expiration of the Development Period, Directors shall be elected at the annual meeting provided in **Article II**. The Board may, by resolution, establish such election procedures as it deems appropriate.

Voting for the Board of Directors shall be by secret written ballot. The ballot shall be prepared by the Elections Committee and shall contain the name of each person nominated for election. Those persons receiving the highest number of votes shall be elected.

Section 3.08 Term. Each Director, other than a Director appointed by Declarant, shall serve for a term of one (1) year or until his successor is elected and qualified or until he has resigned or been removed. Incumbent Directors shall be eligible for re-election and the number of years a person may serve as a Director is not limited. A Director appointed by Declarant, including the initial Directors identified in Section 5.02 of the Articles, shall serve until such Director dies, resigns or is removed by Declarant.

Section 3.09 Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary of the Corporation. Such resignation shall take effect when the notice is effective unless the notice specifies a later effective date. The acceptance of a resignation shall not be necessary to make it effective.

Section 3.10 **Removal.** Subsequent to the expiration of the Development Period, any Director may be removed, with or without cause, in accordance with the provisions of the Act. Prior to the expiration of the Development Period, any Director may be removed by Declarant for any reason.

Section 3.11 **Vacancies.** Any vacancy occurring on the Board of Directors caused by death, resignation, removal or otherwise, shall (a) prior to the expiration of the Development Period be filled by Declarant and (b) subsequent to the expiration of the Development Period be filled until the next annual meeting through a vote of a majority of the remaining members of the Board. If, subsequent to the expiration of the Development Period, a majority of the remaining members of the Board cannot agree on a Person to fill any such vacancy, a special meeting of the Members shall be called to elect a Person to fill such vacancy. A Director elected to fill a vacancy shall hold office until the expiration of the term of the Director causing the vacancy or until his successor has been elected and qualified.

Section 3.12 **Meetings.** The Board of Directors shall meet each year immediately after the annual meeting of the Members, at the place where such meeting of the Members has been held, for the purpose of organization, election of officers, and consideration of any other business which may properly be brought before the meeting. No notice shall be necessary for the holding of this annual meeting. If such meeting is not held as above provided, the election of officers may be held at any subsequent meeting of the Board specifically called in the manner provided in **Section 3.13**. The Board of Directors may provide by resolution the time and the place, either within or without the State of Indiana, for the holding of additional regular meetings of the Board without other notice than such resolution. Special meetings of the Board may be called by the President and shall be called by order thereof upon the written request of not less than two (2) Directors, which request shall set forth the business to be conducted at such meeting.

Section 3.13 **Notice of Meetings.** Notice of all meetings of the Board of Directors, except as herein otherwise provided, shall be given by mailing, telephoning, telegraphing or delivering personally the same at least two (2) days before the meeting to the usual business or residence address of the Director as shown upon the records of the Corporation. Notice of any meeting of the Board may be waived in a document filed with the Secretary by any Director if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting of the Board shall constitute a waiver of notice of that meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any meeting of the Board may adjourn from time to time to reconvene at the same place or some other place. No notice need be given of any such adjourned meeting.

Section 3.14 **Quorum.** A quorum of the Board of Directors at any annual or special meeting of the Board shall be a majority of the duly qualified members of the Board then occupying office, but in no event less than two (2) Directors, except that, subsequent to the expiration of the Development Period, in filling vacancies a majority of the remaining Directors (but not less than two (2) Directors) shall constitute a quorum. The act of a majority of the Directors present at a meeting, who constitute a quorum, shall be the act of the Board unless otherwise provided by the Act, the Declaration, any Supplemental Declaration, the Articles, or these By-Laws. In the absence of a quorum, the Directors present may, by majority vote, adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting for which notice was originally given.

Section 3.15 **Action Without a Meeting.** Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if the action is taken by all members of the Board of Directors or such committee. The action must be evidenced by at

least one (1) written consent describing the action taken signed by each member of the Board of Directors or of such committee, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 3.16 Meeting by Telephone, etc. Any or all of the members of the Board or of any committee designated by the Board may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

Section 3.17 Committees. The Board of Directors, by resolution adopted by a majority of the Board, may designate one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Corporation. Other committees not having and exercising the authority of the Board in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law. Subsequent to the expiration of the Development Period, the Board shall annually establish an Elections Committee which shall be responsible for the conduct of the election of the Board of Directors pursuant to **Section 3.06** and **Section 3.07**.

Section 3.18 Powers. All of the corporate powers, except as otherwise provided herein or by law, shall be vested in and shall be exercised by the Board of Directors. Said powers shall include, but not be limited to:

- (a) The power to adopt, publish, and enforce rules and regulations governing the use of the Common Area;
- (b) The power to lease or purchase for the benefit of the Members such property, equipment, materials, labor and services as may be necessary in the judgment of the Board;
- (c) The power to exercise the powers and perform the duties of the Corporation granted, imposed, authorized or permitted by the Declaration, the exercise of which is not reserved or committed to the membership by the Articles or By-Laws;
- (d) The power to make and collect Assessments and charges, establish and collect membership dues, and levy and collect fines for the violation of rules and regulations governing the use of the Common Area;
- (e) The power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Common Area and the business and affairs of the Corporation.

Section 3.19 Duties. It shall be the duty of the Board of Directors to:

- (a) cause the Common Area to be maintained in good, clean, attractive and sanitary condition, order and repair;
- (b) adopt and publish rules and regulations, including fees, if any, governing the use of the Common Area, and the personal conduct of the Members, their tenants and guests;

- (c) cause to be kept a complete record of all its corporate affairs, making such records available for inspection by any Member or his authorized agent, and present an annual report thereof to the Members;
- (d) supervise all officers, agents and employees of the Corporation and see that their duties are properly performed;
- (e) issue upon demand by any Member a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made;
- (f) designate depositories for the funds of the Corporation, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Corporation, and cause such persons to be bonded, as it may deem appropriate;
- (g) approve the annual budget;
- (h) fix annual general Assessments ("**General Assessments**") at amounts sufficient to meet the obligations imposed by the Declaration and all Supplemental Declarations;
- (i) annually set the date(s) Assessments are due and decide what, if any, interest rate is to be applied to Assessments which remain unpaid thirty (30) days after they become due;
- (j) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment or first installment thereof;
- (k) cause the lien against any property for which Assessments are not paid within thirty (30) days after due date to be foreclosed or cause an action at law to be brought against the Owner personally obligated to pay the same;
- (l) procure and maintain adequate insurance to protect the Corporation, its employees and its personal and real properties;
- (m) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Declaration;
- (n) appoint such committees as are prescribed in **Section 3.17**;
- (o) faithfully observe and perform each duty imposed on the Corporation by the terms of the Declaration and exercise such discretion granted to the Board thereunder in the best interests of the Members; and
- (p) exercise their powers and duties in good faith, with a view to the interests of the Corporation.

Section 3.20 Non-Liability of Directors. No Director shall be liable to any Person for any error or mistake of judgment exercised in carrying out his duties and responsibilities as a Director, unless (a) the Director has breached or failed to perform the duties of his office in compliance with the Act and (b) the breach or failure to perform constitutes willful misconduct or recklessness. The Members shall indemnify and hold harmless each of the Directors against any and all liability to any Person arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been

made in bad faith or is contrary to the provisions of the Act, the Articles or these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Members and as their agent. The liability of any Member arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to a fraction, the numerator of which is the number of Lots owned by him and the denominator of which is the total number of Lots in the Tract.

Section 3.21 Indemnity of Officers and Directors. To the extent not inconsistent with the laws of the State of Indiana, every Person (and the heirs, assigns and legal representatives of such Person) who is or was a Director or an officer of the Corporation shall be indemnified by the Corporation as provided in the Act. To the extent the assets of the Corporation are insufficient to satisfy its indemnification obligations hereunder, the Board of Directors may levy a special Assessment (“**Special Assessment**”) in the manner specified in the Declaration to obtain such funds as may be required to satisfy such obligation.

Section 3.22 Transactions Involving Affiliates. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any Person (including the Declarant) in which one or more of the Directors are directors, officers, partners, or employees or are pecuniarily or otherwise interested, shall be void or voidable because such Director or Directors are present at the meeting of the Board or any committee thereof which authorizes, approves or ratifies the contract or transaction, or because his or their votes are counted for such purpose if:

- (a) the fact of the relationship or interest is disclosed or known to the Board or committee, and the Board or committee authorizes, approves, or ratifies such contract or transaction by a vote or consent sufficient for the purpose without counting the vote or consents of the interested Director(s); or
- (b) the fact of the relationship or interest is disclosed or known to the Members, and they authorize, approve or ratify the contract or transaction by a vote or written consent; or
- (c) the contract or transaction is fair and reasonable to the Corporation.

Affiliated or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction.

Section 3.23 Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the structures located in the Common Area, whether owned or leased by the Corporation, against loss or damage by fire or other hazards commonly insured against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, and shall also obtain a broad form public liability policy covering all damage or injury caused by the negligence of the Corporation or any of its agents. All such insurance policies shall contain a provision that all Members shall, in appropriate circumstances, be able to recover damages as claimants under such insurance. Premiums for all such insurance shall be included in the Assessments.

Section 3.24 Insured Loss, Damage or Destruction. In the event of loss, damage or destruction by fire or other peril, the Board of Directors shall (unless otherwise agreed by two-thirds (2/3) of the Directors then serving), upon receipt of the insurance proceeds, contract to rebuild or repair damaged or destroyed portions of the insured property to its condition before such damage. All such insurance proceeds (if the amount of such proceeds exceeds \$5,000.00) shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the

provision agreed to by said bank or institution that such funds may be withdrawn only by signatures of at least one-third (1/3) of the members of the Board of Directors, or by their duly authorized agent. In such event, the Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed structure or structures. In the event that the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as previously existed, the Board of Directors may levy a Special Assessment in the manner specified in the Declaration to make up any deficiency. Excess insurance proceeds, if any, shall become a part of the Corporation's reserve for replacements.

Section 3.25 Uninsured Loss, Damage or Destruction. In the event of loss, damage or destruction to the Property caused by perils not covered by standard insurance described in Section 2.04(d) of the Articles, the Board of Directors may levy a Special Assessment in the manner specified in the Declaration to make up any deficiency created by such uninsured loss.

Section 3.26 Compensation. No Director shall receive any compensation for any service he may render to the Corporation. He may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE IV **THE OFFICERS OF THE CORPORATION**

Section 4.01 Officers and Agents. The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may, by resolution, designate from time to time. Any two or more offices may be held by the same person. The Board of Directors may, by resolution, create, appoint and define the duties and fix the compensation of such officers and/or agents as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Corporation is formed; but such officers and agents shall be compensated only for actual services performed on behalf of the Corporation.

Section 4.02 Election, Term of Office and Qualifications. The officers shall be chosen annually by the Board of Directors. Each officer shall hold office (unless he resigns, is removed or dies) until the next annual meeting of the Board of Directors or until his successor is chosen and qualified.

Section 4.03 Vacancies. In the event an office of the Corporation becomes vacant by death, resignation, retirement, disqualification or any other cause, the Board of Directors shall elect a person to fill such vacancy, and the person so elected shall hold office and serve (unless he resigns, is removed or dies) until the next annual meeting of the Board or until the election and qualification of his successor.

Section 4.04 President. The President, who shall be chosen from among the membership of the Board of Directors, shall preside at all meetings of the Board, if present; shall appoint the chairman and members of all standing and temporary committees, subject to the review of the Board of Directors; shall be the executive officer of the Corporation; shall have and exercise general charge and supervision of the affairs of the Corporation; and shall do and perform such other duties as these By-Laws provide or as may be assigned to him by the Board of Directors.

Section 4.05 Vice President. Any Vice President may perform all duties incumbent upon the President during the absence or disability of the President and shall perform other duties as these By-Laws may require or as may be assigned to him by the President or the Board of Directors.

Section 4.06 Secretary. The Secretary shall have the custody and care of the corporate records and the minute book of the Corporation. He shall attend all of the meetings of the Board of Directors and the Members, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees of the Board of Directors when required. He shall attend to the giving and serving of all notices of the Corporation, shall file and take care of all papers and documents belonging to the Corporation, shall authenticate records of the Corporation, as necessary, and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Board of Directors or the President.

Section 4.07 Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Corporation. He shall immediately deposit all funds of the Corporation coming into his hands in some federally-register bank or other depository to be designated by the Board of Directors, and shall keep such bank account in the name of the Corporation. He shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Corporation and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Board of Directors or the President.

Section 4.08 Assistant Officers. The Board of Directors may from time to time designate assistant officers who shall exercise and perform such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by the Code of By-Laws, the Board of Directors or the President.

Section 4.09 Removal. Any officer of the Corporation may be removed from office, with or without cause, by the affirmative vote of two-thirds (2/3) of all the Directors at any regular or special meeting of the Board of Directors called for the purpose. Any officer whose removal is proposed shall be entitled to at least ten (10) days' notice in writing by mail of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

Section 4.10 Resignation. Any officer or member of a committee may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, and, if no time be specified, at the time of its receipt by the President or Secretary of the Corporation. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE V **ARCHITECTURAL REVIEW BOARD**

Section 5.01 Composition. The Architectural Review Board shall be comprised of three (3) members elected by the Board of Directors by a vote of a majority of the Directors then serving. A member of the Architectural Review Board may simultaneously serve as a member of the Board of Directors.

Section 5.02 Term. Prior to the expiration of the Development Period, the members of the Architectural Review Board shall serve until the earlier of (a) the date such member dies, resigns or is removed or (b) the expiration of the Development Period. Subsequent to the expiration of the Development Period, the members of the Architectural Review Board shall serve for a term of one (1) year. Members shall be eligible for re-election.

Section 5.03 **Removal; Vacancies.** The Board of Directors may remove a member of the Architectural Review Board at any time, with or without cause, by a vote of two-thirds (2/3) of the Directors then serving. In the event of a vacancy on the Architectural Review Board, the Board of Directors shall, by a vote of a majority of the Directors then serving, elect a successor to serve the unexpired term.

Section 5.04 **Organization.** The Architectural Review Board shall elect from among its membership a chairman, secretary and such other officers as it deems appropriate.

Section 5.05 **Quorum.** A quorum for action by the Architectural Review Board shall be a majority of its members, but in no event less than two (2) members.

Section 5.06 **Duties.** It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location and maintenance of the Property and of improvements thereon and to regulate such uses of property, all as provided in the Declaration and the Supplemental Declarations.

Section 5.07 **Procedures.** The Architectural Review Board shall formulate general guidelines, procedures and regulations and submit them for approval to the Board of Directors. Such guidelines, procedures and regulations shall be considered adopted policy of the Board of Directors unless rejected by a two-thirds (2/3) vote of the Board of Directors within thirty (30) days after the date of submission. The adopted guidelines, procedures and regulations shall be maintained by the Architectural Review Board and the Architectural Review Board shall act in accordance therewith.

ARTICLE VI **LOANS TO OFFICERS AND DIRECTORS**

The Corporation shall not lend money to or guarantee the obligations of any officer or Director of the Corporation.

ARTICLE VII **CORPORATE BOOKS**

The Corporation shall maintain all records required by the Act and shall permit the Members to inspect and copy such records to the extent and on the conditions specified in the Act.

ARTICLE VIII **FINANCIAL AFFAIRS**

Section 8.01 **Contracts.** The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount.

Section 8.02 **Checks, Etc.** All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money and other evidence of indebtedness in excess of One Thousand Dollars (\$1,000.00), shall, unless otherwise directed by the Board of Directors or required by law, be signed by any two of the following officers, who are different persons: President, a Vice President, Secretary or Treasurer. Any such obligation equal to or less than One Thousand Dollars (\$1,000.00) may be signed by any one (1) of such preceding officers. Notwithstanding the foregoing, the Board of Directors may,

however, by resolution, designate officers or employees of the Corporation or any management company to execute drafts, checks and orders for the payment of money in the name of the Corporation in any amount.

Section 8.03 **Investments.** The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors.

Section 8.04 **Reserve for Replacements.** The Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment to such reserve fund of an amount determined annually by the Board to be sufficient to meet the cost of periodic maintenance, repairs, renewal and replacement of the Property. In determining the amount, the Board shall take into consideration the expected useful life of the Property, projected increases in the cost of materials and labor, interest to be earned by such fund and the advice of the Declarant, managing agent or any consultants the Board may employ. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

Section 8.05 **Fiscal Year.** The fiscal year of the Corporation shall commence on January 1 in each year.

Section 8.06 **Assessment Year.** The assessment year of the Corporation shall be the same as the fiscal year established in **Section 8.05**.

Section 8.07 **Auditing.** If requested by any Member or the holder of a first mortgage on any Lot, the books and accounts of the Corporation shall at the close of each fiscal year be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. A copy of such report shall be distributed to each Member or mortgagee who requests a copy thereof.

STONECHASE HOMEOWNERS ASSOCIATION, INC.
CONSENT OF THE INCORPORATOR

The undersigned, being the sole incorporator of **Stonechase Homeowners Association, Inc.**, a non-profit corporation duly organized and existing under the laws of the State of Indiana (the "**Corporation**"), pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, hereby affirmatively adopts the following resolutions:

RESOLVED, that a copy of the Articles of Incorporation and the original Certificate of Incorporation issued by the Secretary of the State of Indiana be spread of record in the Minute Book of the Corporation; and

RESOLVED, FURTHER, that the following persons shall serve as Directors of the Corporation until the next annual meeting of the Board of Directors of the Corporation, or until their successors are duly elected or appointed and qualified:

Steve Cook
Lisa Hupfer
Lance Brock

Effective as of January 11, 2008.


(Signature)

Steve Cook
(Printed Name)

Incorporator
(Title)

STONECHASE HOMEOWNERS ASSOCIATION, INC.
UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS

The undersigned, being all the Directors of **Stonechase Homeowners Association, Inc.**, an Indiana non-profit corporation (the "**Corporation**"), under the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended, and the Articles of Incorporation of the Corporation, hereby adopt the following resolutions without a meeting of the Board of Directors of the Corporation:

Approval of Organizational Documents

RESOLVED, that the following documents be, and they hereby are, approved by the Board of Directors and shall be placed in the minute book of the Corporation:

- (a) Counterpart of the Articles of Incorporation of the Corporation bearing upon the face thereof the approval and file mark of the Secretary of State of Indiana;
- (b) Certificate of Incorporation of the Corporation issued and sealed by the Secretary of State of Indiana;
- (c) Receipt of the Secretary of State for filing the Articles of Incorporation and issuing and sealing the Certificate of Incorporation; and
- (d) The Consent of Incorporator.

Approval of Code of By-Laws

RESOLVED, that the Code of By-Laws submitted to the Directors in the form attached hereto as **Exhibit A** be, and the same hereby is, adopted as the Code of By-Laws of the Corporation.

RESOLVED, that a copy of such Code of By-Laws be placed in the minute book of the Corporation.

Ratification of Acts of Incorporator

RESOLVED, that all actions of the Incorporator of the Corporation heretofore taken for or on behalf of the Corporation be, and they hereby are, in all respects ratified, confirmed and approved.

Appointment of Officers

RESOLVED, that the following persons shall be, and they hereby are, elected as the officers of the Corporation to hold office until the first annual meeting of the Board of Directors of the Corporation, or until their successors are duly chosen and qualified, or until their earlier death, resignation or removal from office:

Name

Office

Steve Cook
Lisa Hupfer
Lance Brock

President, Secretary & Treasurer
Vice President
Assistant Secretary / Treasurer

Designation of Depository

RESOLVED, FURTHER, that First Associations Bank be, and it hereby is, designated as a depository of the funds of the Corporation and the President (with any required certification of the Secretary of the Corporation) or the Secretary, acting singly, are hereby authorized to execute or cause to be executed such corporate banking resolutions as they deem reasonable, necessary, appropriate or expedient and as may be required by such bank; and upon such execution the same shall be appended to and incorporated in these Resolutions.

Payment of Organizational Expenses

RESOLVED, FURTHER, that the officers of the Corporation be, and they hereby are, authorized and directed to pay all organizational expenses of the Corporation out of the funds of the Corporation.

This Unanimous Consent may be executed in any number of counterparts and by the different Directors on separate counterparts each of which, when so executed and delivered by the Directors, shall constitute an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Unanimous Consent to adoption of these resolutions shall be effective as of January 11, 2008.

Steve Cook
(Signature)

Lance Brock
(Signature)

Steve Cook
(Printed Name)

Lance Brock
(Printed Name)

Lisa Hupfer
(Signature)

Lisa Hupfer
(Printed Name)