

ARTICLES OF INCORPORATION

OF

McFARLAND FARMS PROPERTY OWNERS' ASSOCIATION, INC.

WHEREAS, the Shorewood Corporation, a Pennsylvania corporation (hereinafter sometimes referred to as "the Developer"), is developing a parcel of real estate in Marion County, Indiana, as a complete residential community that will be known as "The Springs" and "Sterling Ridge" at McFarland Farms (hereinafter sometimes referred to as "the Project"); and

WHEREAS, it is desirable that a cooperative maintenance system be established, governed, and operated by the owners of the residential lots in the Project in such a manner as to promote the creation and preservation of peaceful enjoyment of the property and the protection and enhancement of property values in the Project; and

WHEREAS, plat restrictions and restrictive covenants have been recorded with respect to the Project:

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a citizen of the United States, does hereby undertake to form a not-for-profit corporation without capital stock under the provisions of The Indiana General Not For Profit Corporation Act, as amended.

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CORPORATION

ARTICLE I

The name of the corporation is McFarland Farms Property Owners' Association, Inc., and it is hereinafter referred to as "the Association."

ARTICLE II

The general objects and purposes and powers of the Association are:

1. To exercise the powers and functions granted to it in, or pursuant to, the plat restrictions applicable to the Project, or any portion thereof, and any other restrictive covenants that have heretofore or may hereafter be recorded in respect of the Project, or any part thereof.

2. To care for, maintain, and repair certain vacant and unimproved and unkept lots and certain common areas of the Project, or any part thereof; to repair, rebuild, and maintain structures, signs, walls and other improvements including drainage ways, swales, culverts and appurtenances thereto, or residences on any lot in the Project for the purposes of preventing any such structure's falling into a rundown condition; to repair, maintain, rebuild, and/or beautify all streets and their rights of way, and all parks or common areas within the Project that are not subject to maintenance by governmental authority.

3. To provide for the payment of taxes and assessments, if any, that may be levied by any governmental authority upon

any area in the Project that may be conveyed to the Association.

4. ~~To enforce charges, easements, restrictions,~~ conditions, covenants, and servitudes existing upon and created for the benefit of the property over which the Association may have jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of the Association; and to pay all expenses in connection therewith.

5. To provide for the operation, maintenance and management of parks, swimming pools, tennis courts, beaches, lodges, clubhouses, picnic facilities or other recreational facilities, and other community features of such land in the Project as may be conveyed to the Association, and to provide for the maintenance of those areas designated on the subdivision plats of the Project as Commons Areas, Common Easements, or Landscape Easements.

6. To appoint such committees as may be necessary to, or convenient in, the Association's discharging the duties entrusted to it.

7. To levy an annual charge that shall be a lien against the real estate in the Project and a personal obligation of the members of the Association; to publish the names of members who shall fail to pay the charges made by the Association; to sue to collect any of such charges as are not paid; and to foreclose any such lien. Each year the

Board of Directors of the Association shall consider the current operational and maintenance needs and future needs including capital needs of the Association and, in the light of those needs, shall fix the amount of the annual charge herein provided for, which shall not be less than One Hundred and Fifty Dollars (\$150.00) in respect of each numbered lot that is restricted to single family residential use. Nothing contained in this paragraph 7 does, or is intended to, or shall be construed to, create in the Association a power to levy or make any charge of any kind against the Developer, or against the Association itself.

8. To acquire by gift, purchase, or other means, to own, hold, enjoy, lease, operate, maintain, convey, sell, lease, transfer, mortgage or otherwise encumber, or dedicate for the public use, real or personal property in connection with the business of this Association.

9. To expend the moneys collected by the Association from assessments or charges, and other sums received by the Association, for the payment and discharge of all proper costs, expenses, and obligations incurred by the Association in carrying out all or any of the purposes for which the Association is formed.

10. To borrow money and to give, as security therefor, a mortgage or other security interest in any or all real or personal property owned by the Association, or a pledge of moneys to be received under paragraph 7 above, and to assign

and pledge its right to make assessments and charges and its right to claim a lien therefor.

11. To do any and all lawful things and acts, and to have any and all lawful powers, which a corporation organized under and by virtue of The Indiana General Not For Profit Corporation Act, as amended, may do and have, and in general to do all things necessary and proper to accomplish the foregoing purposes, including the specific power to appoint any person or corporation as its fiscal agent to collect all assessments and charges levied by the Association and to enforce the Association's liens for unpaid assessments and charges or any other lien owned by the Association.

ARTICLE III

The period during which the Association shall continue as a corporation shall be perpetual.

ARTICLE IV

The post office address of the principal office of the Association shall be c/o The Shorewood Corporation, 100 Clarendon Drive, Noblesville, Indiana, 46060, and the name of its resident agent is John F. Culp, whose post office address is The Shorewood Corporation, 100 Clarendon Drive, Noblesville, Indiana 46060.

ARTICLE V

1. The members of the Association shall be persons or corporations who at any time are owners (legal or equitable)

of numbered residential lots in the Project. A person who has no interest in real estate in the Project other than an interest that is held merely as security for the performance of an obligation to pay money (e.g., the interest of a mortgagee or a land contract vendor) shall not be entitled to membership in the Association.

2. Membership in the Association shall lapse and terminate when any member shall cease to be the owner of a numbered residential lot in the Project.

3. Any meeting of the members of the Association may be held at any place within Marion County, Indiana. The place at which a particular meeting of the members is to be held shall be stated in the notice of that meeting.

4. The members of the Association shall be divided into two classes, namely, Class A members, and Class B members. No person, firm, or corporation except the Developer (and any person who shall hereafter succeed to the Developer's business and properties substantially as a whole) shall hold a Class B membership in the Association; provided, however, for purposes of formation of the Association, the Developer may designate two persons to be Class B members until there are at least two Class A members, each of which designee shall have one vote. A Class A member shall be entitled to one vote for each numbered residential lot in the Project that is owned by the member; a Class B member shall be entitled to three votes for each numbered residential lot in

the Project that is owned by the member. Any member (whether a Class A member or a Class B member) shall have the power to cast his vote or votes by proxy or voting trust.

5. In addition to the foregoing, the Board of Directors of the Association may establish associate memberships in the Association for persons who may from time to time be owners of lots in other developments and who are not otherwise entitled to the benefits of membership by virtue of being owners of residential lots within the Project. Associate members shall have none of the rights of members to vote at meetings of the Association. The Board of Directors of the Association may establish fees or charges for such associate memberships and rules and regulations concerning such associate memberships which may be different from those applicable to members generally.

6. No member may be expelled from membership in the Association for any reason whatsoever; provided, however, that the Board of Directors of the Association shall have the right to suspend the voting rights (if any) and right to use any parks, common areas, and other recreational facilities of the Association of any member or associate member (i) for any period during which any Association charge owed by the member or associate member remains unpaid; (ii) and during the period of any continuing violation of the restrictive covenants for the Project, after the existence of the

violation shall have been declared by the Board of Directors of the Association.

7. There shall be no other preferences, limitation, or restrictions with respect to the relative rights of the members.

ARTICLE VI

The affairs and business of the Association shall be managed by a Board of Directors consisting of not less than three nor more than seven members, the exact number to be stated in the By-Laws of the Association. In the absence of such a statement in the By-Laws, the number of Directors shall be three. Each member of the first Board of Directors shall serve for a term of three years; thereafter, each Director shall serve for such a term as may be prescribed by the By-Laws.

The Board of Directors of the Association shall have power to adopt By-Laws of the Association not inconsistent with these Articles or with the laws of the State of Indiana. Pursuant to the By-Laws, the Board of Directors may elect a President, a Vice President, a Secretary, an Assistant Secretary, a Treasurer, and an Assistant Treasurer. The officers shall have such qualifications, powers, and duties, and shall be elected in such manner, at such time and place, and shall serve for such terms as may be provided in the By-Laws of the Association.

ARTICLE VII

The names and addresses of the first Board of Directors are as follows:

John F. Culp	The Shorewood Corporation 100 Clarendon Drive Noblesville, IN 46060
Phillip W. Klinger	The Shorewood Corporation 100 Clarendon Drive Noblesville, IN 46060
Nancy Martikke	The Shorewood Corporation 100 Clarendon Drive Noblesville, IN 46060

ARTICLE VIII

The name and address of the incorporator is as follows:

John F. Culp	The Shorewood Corporation 100 Clarendon Drive Noblesville, IN 46060
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ARTICLE IX

No property is to be taken over by the Association at or upon its incorporation, but this fact shall in no manner restrict the Association in respect of its later receiving property by donation, grant, purchase, or other means.

ARTICLE X

The Association is organized without capital stock and no part of the income of the Association shall inure to the benefit of any member, associate member, director or officer of the Association.

ARTICLE XI

None of the provisions of these Articles of Incorporation may be altered or amended in whole or in part in such a way as to bring them into conflict with the restrictive covenants and deed restrictions now or hereafter made applicable to the Project. With the foregoing exception, these Articles may be freely amended in accordance with the provisions of The Indiana General Not For Profit Corporation Act, as now or hereafter amended.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his name on this 30th day of March 1990.

John F. Culp
John Culp, Incorporator

STATE OF INDIANA }
COUNTY OF MARION } ss:

SUBSCRIBED AND SWORN to before me, a Notary Public in and for said County and State, this 30th day of March, 1990.

Brenda J. Thomas
Notary Public
Resident of Marion County

My commission expires:

May 5th 1992