

COPY

ARTICLES OF INCORPORATION

OF

DORCHESTER VILLAGE HOMEOWNERS' ASSOCIATION, INC.

The undersigned incorporator, Douglas E. Schmidt, desiring to form a corporation (the "Corporation") pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, under Indiana Code, Title 23, Article 17, as amended, (the "Act"), has executed the following Articles of Incorporation.

ARTICLE I.

NAME

The name of the Corporation is Dorchester Village Homeowners' Association, Inc.

ARTICLE II.

PURPOSES AND POWERS

Section 1. Type. This Corporation is a mutual benefit corporation.

Section 2. Purposes. The purposes for which the Corporation is formed are:

2.1 For the acquisition, construction, management, maintenance, and care of "association property," as defined in Section 528(c) of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"), which association property includes, but is not limited to, the Common Area within that certain tract of property described in the **Declaration of Covenants, Conditions**

and Restrictions of Dorchester Village recorded in the office of the Recorder of Monroe County, Indiana ("Declaration").

2.2 Solely in furtherance of the aforesaid purposes, to transact any and all lawful business for which corporations may be incorporated under the Act, provided such business is not inconsistent with the Corporation being organized and operated exclusively for the purposes indicated herein.

Section 3. Nonprofit Purposes.

3.1 The Corporation is organized and operated exclusively for the purpose of being a nonprofit "homeowners association," as defined in Section 528(c) of the Internal Revenue Code, or corresponding provision of any subsequent Federal tax laws, and its activities shall be conducted in such a manner that no part of its net earnings shall inure to the benefit of any member, director, or officer or other private person, except that the Corporation shall be authorized and empowered to make payments and distributions in furtherance of the purposes set forth in Section 2.

3.2 Notwithstanding any other provision of these **Articles of Incorporation**, the Corporation shall not carry on any activities not permitted to be carried on by a corporation which qualifies for the exemption from Federal income tax with respect to its exempt function income under Section 528(c) of the Internal Revenue Code, or corresponding provisions of any subsequent Federal tax laws.

Section 4. Powers. Subject to any limitation or restriction imposed by the Act, any other law, or any other provision of these **Articles of Incorporation**, the Corporation shall have the power:

4.1 To exercise all of the powers and privileges and to perform the duties and obligations of the Corporation as set forth in the Declaration, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

4.2 To fix, levy, collect and enforce payment of, by any lawful means, all Regular Assessments or Special Assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation;

4.3 To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for the public use or otherwise dispose of real or personal property which is titled in the name of the Corporation in connection with the affairs of the Corporation;

4.4 To have, exercise and enjoy in furtherance of the purposes hereinbefore set forth any and all powers, rights and privileges granted to a corporation by the Act, as now existing or hereafter amended, and by the common law.

Section 5. Limitation on Powers.

5.1 The Corporation shall not issue capital stock.

5.2 The Corporation must receive sixty percent (60%) or more of its gross income from membership dues, fees or assessments from the Owners of Residences.

5.3 The Corporation must make ninety percent (90%) or more of its expenditures for the acquisition, construction, management, maintenance, and care of Common Areas or Corporation property.

5.4 Upon dissolution of the Corporation, no member, director, officer, or any private individual will be entitled to share in the distribution of the Corporation's assets. Upon dissolution, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Judge of one of the Circuit Courts of Monroe County, Indiana, exclusively for such purposes, or to such organization(s), as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE III.

PERIOD OF EXISTENCE

The Corporation shall have perpetual existence.

ARTICLE IV.

REGISTERED AGENT AND REGISTERED OFFICE

Section 1. Initial Registered Agent. The name and address of the initial

Registered Agent in charge of the Corporation's initial registered office is:

Douglas E. Schmidt
1615 Dorchester Drive
Bloomington, IN 47401

Section 2. Initial Principal Office. The street address of the initial registered

office of the Corporation is:

1615 Dorchester Drive, Bloomington, Indiana 47401

ARTICLE V.

MEMBERSHIP

Section 1. Classes. The classes of Members are as follows:

1.1 Class "A". Class "A" members shall be all Owners except Declarant and shall be entitled to one vote for each Lot owned. All persons holding an interest in any Lot shall be members; however, each Lot represented shall have only one vote as the Owners of such Lot may determine.

1.2 Class "B". The Class "B" Member shall be Declarant and Declarant shall be entitled to ten (10) votes for each Lot owned. The Class "B" membership shall cease and terminate upon the first to occur of: (1) the date, upon which the written resignation of the Class "B" member as such is delivered to the resident agent of the Community Association; provided however, if

Declarant, at such time still owns Lots, such membership shall be converted to a Class "A" membership; or (2) December 31, 1999.

1.3 Class "C". Any and all natural persons who are officers, directors, partners, employees, or appointees of a Class "A" member or a Class "B" member may become a Class "C" member of the Association upon designation by a Class "A" member or a Class "B" member. A Class "C" member shall have no vote in matters of the Association, but may serve on the Board of Directors.

Section 2. Rights, Preferences, Limitations, and Restrictions of Classes. No rights, preferences, limitations or restrictions on the classes of membership shall exist other than those specified in these Articles, in the By-Laws of the Corporation, or by applicable law.

Section 3. Voting Rights of Owners. Each Owner in good standing shall be entitled to voting rights as follows:

3.1 Number of Votes. Class "A" Members shall be entitled to one (1) vote for each Lot owned. Class "B" Members shall be entitled to ten (10) votes for each Lot owned. Class "C" Members shall not be entitled to any vote. After all Members present (in person or by proxy) have cast their votes, the total number of votes for or against any matter shall then be divided either by the total number of votes cast to determine the respective proportions of Members who support or oppose such matter, or by the number of Members which are present or represented at such meeting to determine the respective proportions of

Members present or represented at such meeting who support or oppose such matter.

3.2 Multiple Owners. When the Owner of a Lot constitutes more than one person or entity, or is a partnership, there shall be only one voting representative entitled to cast the vote allocable to that Lot. At the time of acquisition of title to a Lot by a multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Corporation an irrevocable proxy appointing one of such persons or partners as the voting representative for such Lot, which proxy shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order or a court of competent jurisdiction. Such appointed voting representative may grant a proxy to another to vote in such representative's place at a particular meeting(s) pursuant to subsection 3.4 which shall constitute relinquishment of the right to act as voting representative for the Lot at such meeting(s).

3.3 Voting by Corporation or Trust. Where a corporation or trust is an Owner of a Lot or is otherwise entitled to vote, the trustees 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.

3.4 Proxy. An Owner may vote either in person or by duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate the attorney-in-fact in a writing, delivered to the Corporation prior to the commencement of the meeting.

3.5 Quorum. Except where otherwise expressly provided in the Declaration, these Articles, the By-Laws, or the Act, the presence of a majority of the Owners or their duly authorized representatives shall constitute a quorum at all meetings. The terms "majority of Owners" and "majority of the vote," as used in these Articles, shall mean the Owners entitled to cast not less than 51% of all votes as determined by the applicable provisions set forth in the Declaration, and shall not mean a majority of the persons or votes present or represented at such meeting.

3.6 Owner. The term "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to one Lot. Persons or entities owning a single Lot as tenants in common, joint tenants, or tenants by the entireties shall be deemed one Owner. Owners holding title to multiple Lots will be entitled to one vote for each Lot owned.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. Number. The initial Board of Directors shall consist of three (3) directors. The exact number of directors shall be specified from time to time by the By-Laws of the Corporation. The minimum number of directors so specified shall be three (3) and the maximum number shall be five (5). Whenever the By-Laws do not specify the number of directors, the number shall be three (3).

Section 2. Qualification. Each director shall have such qualifications as may be specified from time to time in the By-Laws of the Corporation or required by applicable law.

Section 3. Initial Board of Directors. The names and addresses of the members of the initial Board of Directors of the Corporation are:

<u>Name</u>	<u>Address</u>
Douglas E. Schmidt	1615 Dorchester Drive Bloomington, IN 47401
Susan A. Schmidt	1615 Dorchester Drive Bloomington, IN 47401
Sandra L. Smolka	8910 Porter Court Crown Point, IN 46307

ARTICLE VI.I

INCORPORATOR

The name and post office address of the Incorporator of the Corporation is as follows:

Douglas E. Schmidt, 1615 Dorchester Drive, Bloomington, IN 47401.

ARTICLE VIII

STATEMENT OF PROPERTY

Upon its incorporation, the Corporation is assuming control of rights in real property located in Dorchester Village and certain cash and other assets in connection therewith, valued at more than \$1,000.00.

ARTICLE IX

PROVISIONS FOR REGULATION AND CONDUCT OF
THE AFFAIRS OF THE CORPORATION

Other provisions, consistent with the laws of the State of Indiana, for the regulation and conduct of the affairs of the Corporation, and creating, defining, limiting or regulating the powers of the Corporation, the directors, or the Owners are as follows:

Section 1. Initial Board of Directors. The affairs of the Corporation shall be managed initially by the Board of three (3) directors set forth in Article Six, Section 3, above, who shall serve until December 31, 1999, or such earlier date determined by the Declarant.

Section 2. Place of Meeting. Meetings of the Owners and of the Board of Directors of the Corporation shall be held at such places within the State of Indiana, as shall be specified in the respective calls and notices or waivers of notice of such meetings given in accordance with the By-Laws of the Corporation.

Section 3. Indemnification.

3.1 The Corporation shall indemnify any person who is or was a director, officer, or employee of the Corporation, or is or was serving as a director, officer, or employee of another corporation, partnership, or other enterprise at the request of the Corporation, against expenses (including attorneys' fees), judgments, fines, penalties, and amounts paid in settlement reasonably incurred by such person, to the fullest extent now or hereafter permitted by law, in connection with or resulting from any claim, action, suit, or proceeding (whether actual or threatened, civil, criminal, administrative or investigative, or in connection with an appeal relating thereto), in which such person may be involved as a party or otherwise by reason of being or having been a director, officer, or employee for the Corporation or of such other organization; provided such person acted in good faith and in a manner that he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding, in a manner which he had no reasonable cause to believe was unlawful. The termination of any claim, action, suit, or proceeding by judgment, order, settlement (whether with or without court

approval), 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 reasonably believes to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action, suit, or proceeding, in a manner which he had no reasonable cause to believe was unlawful.

3.2 Any director, officer, or employee of the Corporation who has been successful as a party on the merits or otherwise in his defense of any claim, action, suit, or proceedings referred to in the first sentence of Section 3.1 shall be indemnified as of right against expenses (including attorneys' fees) reasonably incurred by him in connection therewith (except to the extent covered by insurance).

3.3 Except as provided in Section 3.2 above, any indemnification under Section 3.1 shall be made by the Corporation only upon a determination that indemnification of the particular director, officer, or employee is proper in the circumstances because such person has met the applicable standards of conduct set forth in Section 3.1. Such determination shall be made (i) by the Board of Directors of the Corporation by a majority vote of a quorum consisting of members of the Board of Directors who were not parties to such claim, action, suit, or proceeding, or (ii) if such a quorum is not obtainable or if so directed by a majority vote of a quorum consisting of members of the Board of Directors who

were not parties to such claim, action, suit or proceeding, by independent legal counsel (who may be regular counsel of the Corporation) in a written opinion, or (iii) by majority vote of the Class "A" Members and Class "B" Members.

3.4 The indemnification provided by this Section 3 shall not be deemed exclusive of any other rights to which a director, officer, or employee may be entitled under any by-law, resolution, agreement, vote of the members, or otherwise, and shall continue as to a person who has ceased to be a director, officer, or employee of the Corporation, and shall inure to the benefit of the heirs, executors, and administrators of any such person. The indemnification provided by this Section 3 shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption hereof, arising from acts or omissions to act whether before or after the adoption hereof.

3.5 This Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, partner, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Section 3, together with expenses actually and reasonably incurred by him in connection with his defense thereof; provided that when and to the extent that the Corporation has purchased and maintained such

insurance, it shall have no duty under this Section 3 to indemnify any such person to the extent such liability is covered by such insurance.

Section 4. Compensation of Employees. In order to carry out the purposes and activities of the Corporation, such individuals as are deemed necessary may be employed, and each employee may be paid such compensation for services actually rendered in the course of such employment as may be fixed in this manner provided by the Board of Directors of the Corporation.

Section 5. By-Laws. The By-Laws of the Corporation may be amended as set forth in the By-Laws and may contain other provisions consistent with the laws of the State of Indiana, for the regulation and management of the affairs of the Corporation.

Section 6. Powers of the Board of Directors. Subject to any limitation or restriction imposed by law or by these Articles of Incorporation, the Board of Directors of the Corporation is hereby authorized to exercise, in furtherance of the purposes of the Corporation, all the powers of the Corporation without authorization or approval of the Owners.

Section 7. Amendment.

7.1 During their term of service, the initial Board of Directors may amend or supplement these Articles of Incorporation acting alone, if such amendment is necessary or desirable in the opinion of the initial Board of Directors and the amendment does not materially adversely affect the rights of any Owner or Mortgagee.

7.2 After December 31, 1999, or such earlier period determined by Declarant, these Articles may be amended or supplemented upon the affirmative vote of two-thirds (2/3) of the Members.

IN WITNESS WHEREOF, the undersigned incorporator executes these Articles of Incorporation and verifies subject to the penalties of perjury that the facts contained herein are true.

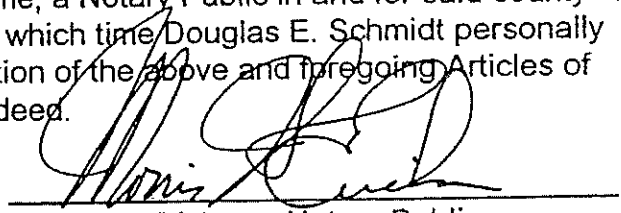
Dated this 13th day of June, 1994.


Douglas E. Schmidt, Incorporator

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Subscribed and sworn to before me, a Notary Public in and for said county and state, this 13th day of June, 1994, at which time Douglas E. Schmidt personally appeared and acknowledged the execution of the above and foregoing Articles of Incorporation to be a voluntary act and deed.

My Commission Expires:
October 18, 1994


Morris H. Erickson, Notary Public
A resident of Monroe County, IN

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This Instrument Prepared By **Morris H. Erickson, Attorney**, Sturbridge Center, 810 Auto Mall Road, Bloomington, Indiana 47401, (812) 335-1111.

EXHIBIT B

Part of the Northeast quarter of the northwest quarter of Section 10, Township 8 North, Range 1 West, Perry Township, Monroe County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of Beechwood Manors Addition as recorded in Plat Cabinet "B", Envelope 56, Office of the Recorder of Monroe County, Indiana, said point being 810 feet West and 600 feet South of the Northeast corner of the Northeast quarter of the Northwest quarter of said Section 10; thence South 88 degrees 54 minutes 00 seconds West along the North line of Beechwood Manor II Addition as recorded in Plat Cabinet "B", Envelope 269, Office of the Recorder of Monroe County, Indiana a distance of 215.00 feet to the East right-of-way of Dorchester Drive and to a point on a curve to the left with a radius of 150.73 feet, a central angle of 38 degrees 27 minutes 02 seconds, and a chord of 99.26 feet bearing North 25 degrees 13 minutes 55 seconds West; thence Northwesterly along said right-of-way and along said curve 101.15 feet to the beginning of a curve to the right with a radius of 271.98 feet, a central angle of 39 degrees 01 minutes 27 seconds, and a chord of 181.69 feet bearing North 24 degrees 56 minutes 43 seconds West; thence Northwesterly along said right-of-way and along said curve 185.25 feet; thence north 88 degrees 54 minutes 00 seconds East 325.00 feet to the West line of said Beechwood Manors Addition; thence South 02 degrees 00 minutes 00 seconds East along said West line 256.80 feet to the point of beginning, containing 1.623 acres, more or less;