

31-1649726

ARTICLES OF INCORPORATION
OF
STONEGATE FARMS
COMMUNITY ASSOCIATION, INC.

The undersigned do hereby voluntarily associate themselves for the purpose of forming a non-stock, non-profit Ohio Corporation in accordance with the provisions of Ohio Revised Code, Chapter 1702.

ARTICLE I

The name of the Corporation is Stonegate Farms Community Association, Inc., hereinafter called (the "Association").

ARTICLE II

The duration of this Association shall be perpetual.

ARTICLE III

The Association is formed for the purpose of providing for the establishment, maintenance, improvement, preservation and administration of the lots and easement areas within the subdivision known as Stonegate Farms located in Batavia Township, Clermont County, Ohio, to promote the health, safety and welfare of the residents within the above described property and any additions thereto which may hereafter be brought under the jurisdiction of this Association, and to this end the Association shall have the power:

- (a) to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Restrictions, Conditions, Easements and Covenants, (the "Declaration") applicable to the property and recorded in Official Record Book 1031, page 949 of the Office of the

Clermont County, Ohio Recorder, as the same may be amended from time to time as therein provided;

(b) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) to borrow money, and, subject to limitations and conditions set out in the Declaration, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Community Facilities (as defined in the Declaration) to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, subject to the limitations and conditions set out in the Declaration;

(f) to have and exercise any and all powers, rights and privileges which a corporation organized under the non-profit corporation statutes of the State of Ohio by law may now or hereafter have or exercise.

ARTICLE IV

Every person or entity who is a record owner of a fee simple interest in any Lot (as defined in the Declaration) which is subject to assessment by the Association, including contract sellers, shall be a member of the Association, for the duration of such ownership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE V

The Association shall have two classes of voting membership:

Class A - Class A members shall be all owners (with exception of the Declarant for as long as Class B membership exists), who shall be entitled to one 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 set forth in the Declaration and By-Laws.

Class B - The Class B member shall be the Declarant (as defined in the Declaration), and the vote of the Declarant shall be exercised as set forth in the Declaration and Bylaws. The Class B membership shall cease and be converted to Class A membership with one (1) vote for each Lot owned, on the happening of the following events whichever occurs later:

- A. Ninety-five (95%) percent of the total number of Living Units that may be constructed at Stonegate Farms have been sold; or
- B. Fifteen (15) years following the conveyance of the first Living Unit at Stonegate Farms; or
- C. Abandonment of the property by Declarant.

Provided, however, that nothing herein contained shall be construed to prohibit the Class B member from converting all or part of its Class B membership to Class A membership with the results set forth above at any time earlier than the events referred to above, by a written statement executed by the Declarant and delivered to the Association.

ARTICLE VI

The principal office of the Association shall be at C/O Midwestern Plumbing Services, Inc., 4004 Commercial Blvd., Cincinnati, OH 45245 and Archie Wilson shall be its statutory agent. The corporation is located in Hamilton County, Ohio.

ARTICLE VII

The affairs of the Association shall be managed by a Board of Trustees of not less than three (3) persons, who need not be members of the Association. The number of Trustees shall be designated by the Bylaws of the Association. The initial Trustees shall be:

Archie Wilson	C/O Midwestern Plumbing Services, Inc. 4004 Commercial Boulevard Cincinnati, OH 45245
Gene Hehemann	C/O Midwestern Plumbing Services, Inc. 4004 Commercial Boulevard Cincinnati, OH 45245
Jeff Rosa	C/O Midwestern Plumbing Services, Inc. 4004 Commercial Boulevard Cincinnati, OH 45245

ARTICLE VIII

These Articles of Incorporation may be amended in the manner now or hereafter provided by the applicable Ohio laws, but only with the assent of 51% of the votes held by the Class A Members together with the consent of the Class B Member. No amendment hereof shall effectuate or constitute a change in the "Declaration" unless approved by the requisite number of Owners as provided in the Declaration. The Declaration may be amended as provided therein.

ARTICLE IX

In the event of dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be devoted to purposes similar to those of the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to a non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by this Association. This Association shall not be dissolved without the written consent of at least sixty-six and two-thirds (66-2/3%) of the votes of the Class A Members together with the consent of the Class B Member.

ARTICLE X

A Trustee or officer of the Association shall not be disqualified by his office from dealing or contracting with the Association as a vendor, purchaser, employee, agent or otherwise; nor shall any transaction, contract or act of the Association be void or voidable or in any way effected or

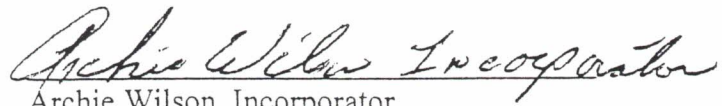
invalidated by reason of the fact that any Trustee or officer or any firm of which such Trustee or officer is a member, or any corporation of which such Trustee or officer is a shareholder, Trustee or officer, is in any way interested in such transaction, contract or act; provided, however, that the fact that such Trustee, officer, firm or corporation is so interested must be disclosed to or known by the Board of Trustees or such members thereof as shall be present at the meeting of said Board at which action is taken upon such matters. No Trustee or officer shall be accountable or responsible to the Association for or in respect to any such transaction, contract, or act or for any gains or profits realized by him or by any organization affiliated with him as a result of such transaction, contract or act. Any such Trustee or officer may be counted in determining the existence of a quorum at any meeting of the Board of Trustees of the Association which shall authorize or take action in respect of any such contract, transaction or act, and may vote to authorize, ratify or approve any such contract, transaction or act, with like force and effect as if he or any firm of which he is a member or a corporation of which he is a shareholder, officer or Trustee, were not interested in such transaction, contract or act.

ARTICLE XI

The Association shall indemnify any and every Trustee, officer or employee against expenses, judgments, decrees, fines, penalties or amounts paid in settlement in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which such Trustee, officer or employee is or may be made a party by reason of being or having been such Trustee, officer or employee, provided a determination is made by the Trustees in the manner set forth in Ohio Revised Code Section 1702.12(e)(1) to the effect (a) that such Trustee, officer or

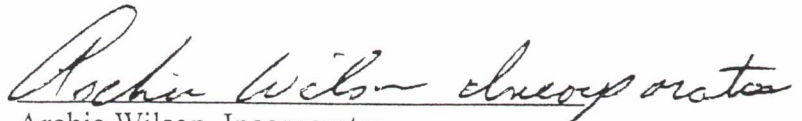
employee was not, and has not been adjudicated to have been, negligent or guilty of misconduct in the performance of his duty to the Association of which he is a Trustee, officer or employee, (b) that he acted in good faith in what he reasonably believed to be the best interest of such Association, and (c) that, in any matter the subject of a criminal action, suit or proceeding, he had no reasonable cause to believe that his conduct was unlawful. Such indemnification shall not be deemed exclusive of any other rights to which such Trustee, officer or employee may be entitled under these Articles, the By-Laws of this Association, any agreement or any insurance purchased by this Association, or by vote of the members, or otherwise.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Ohio the undersigned Incorporator of this Association has executed these Articles of Incorporation on this 27th day of April, 1999.


Archie Wilson, Incorporator

ORIGINAL APPOINTMENT OF AGENT


The undersigned, being the Incorporator of Stonegate Farms Community Association, Inc., hereby appoints Archie Wilson, a natural person resident in the State of Ohio, upon whom any process, notice or demand required or permitted by statute to be served upon the Association may be served. His complete address is c/o Midwest Plumbing Services, Inc., 4004 Commercial Boulevard, Cincinnati, Ohio 45245.


Archie Wilson, Incorporator

April 27th, 1999.

STONEGATE FARMS COMMUNITY ASSOCIATION, INC.

I hereby accept appointment as agent of the Association upon whom process, tax notices or demands may be served.


Archie Wilson