

CODE OF BY-LAWS
OF
HILLINDALE HOMEOWNERS ASSOCIATION, INC.

Amended Version, dated January 2006

ARTICLE 1

Identification

Section 1.01. Name. The name of the Corporation is HILLINDALE HOMEOWNERS ASSOCIATION, INC.

Section 1.02. Principal Office and Resident Agent. The location of the principal office of the Corporation and the designation of its resident agent shall be as specified in the Articles, unless, after the adoption of the Articles, such location or such designation or both shall be changed in accordance with the requirements of the Act, in which case the notice of the change that is required by the Act (and the more or most recent of such notices, if two or more shall have been filed) shall be conclusive as to the matters covered by such notice.

Section 1.03. 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 10 thereof containing definition of terms.

ARTICLE 2

Membership

Section 2.01. Qualification. The qualifications for membership in the Corporation shall be those prescribed in the Articles.

Section 2.02. Membership Certificates. A nontransferable Certificate of Membership shall be issued to each Member. Such Certificate shall certify that the named Person is a Member of the Corporation, shall indicate the class of membership held, shall be signed by the President, or a Vice President, and by the Secretary or Assistant Secretary or the Corporation, and shall be substantially in the following form:

(Form for Certificate of Membership)

HILLINDALE HOMEOWNERS ASSOCIATION, INC.
(an Indiana Not-for-Profit Corporation)

CERTIFICATE OF MEMBERSHIP

No. _____

This certifies that _____ is a(n)
_____ Member of HILLINDALE HOMEOWNERS ASSOCIATION,
INC., an Indiana Not-for-Profit Corporation. Reference is made to the Articles of
Incorporation and Code of By-Laws of the Corporation for a statement of the rights,
privileges, and obligations of Members and others provisions affecting the Corporation.
This Certificate is not transferable.

Secretary

President

ARTICLE 3

Meetings of Members

Section 3.01. Place of Meetings. All meetings of the Members shall be held at
such place in Ripley County, Indiana as may be designated by the Board of Directors and
specified in the respective notices or waivers of notice thereof.

Section 3.02. Annual Meeting. An annual meeting of the Members shall be held
at eight o'clock p.m. on the first Tuesday in April of each calendar year except that the
Board of Directors may designate another day and time for the Annual Meeting.

Section 3.03. 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 3.04. 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, not more than thirty (30) nor less than ten (10) days before the date of any regular meeting, and not more than thirty (30) nor less than two (2) days before the date of any special 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 or notice of that meeting.

Section 3.05. Voting Lists. At least ten (10) days before each regular meeting of Members, the Secretary shall make a complete list of Members entitled to vote at the meeting, which list may be inspected by any Member, for any proper purpose, at any reasonable time.

Section 3.06. Quorum. At any meeting of the Members, ten percent (10%) 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 3.07. 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, any Supplementary Declaration, the Articles or these By-Laws.

Section 3.08. Multiple Owner. Where the Owner of a Lot constitutes more than one person, or is a partnership, there shall be only one 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 3.09. 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 3.10. Proxies. A Member may vote either in person or by a duly authorized and designated attorney-in-fact. Where voting is by proxy the member shall designate his attorney-in-fact in writing before a notary public, who shall notarize the member's signature. The member shall deliver such signed and notarized power of attorney to the Secretary of the Association at least one (1) full business day prior to the date of the annual meeting. Any such proxy must designate the date of the meeting for which it is valid, and including any postponement thereof.

Section 3.11. 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.

ARTICLE 4

Board of Directors

Section 4.01. 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 4.02. Eligibility. No person shall be a Director who is not a Member, an Associate Member or an Occupant, nor shall any person be a Director representing a Parcel who is neither an Occupant in such Parcel nor the Owner of a Lot located therein.

Section 4.03. Number. So long as there are Class B Members, 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. At such time as there are no Class B Members, the number of Directors shall be at least three (3), and not to exceed five (5).

Section 4.04 Judges of Election. At least ten (10) days before the meeting, the Board of Directors' shall appoint three (3) persons to act as Judges of Election. No Judge of Election shall be an officer, director of the Association, or candidate for election at the forthcoming meeting. It shall be the duty of the Judges of Election, acting impartially and by a majority of their members, to determine the validity or invalidity of all ballots submitted and to make a full and complete count of all valid ballots and to certify in writing the results thereof to the President of the Association. The certificate, signed by a majority of the Judges of Election, shall be filed with the Secretary of the Association for filing in its permanent records. Other than the submission of the certification to the

President of the Association, the Judges shall treat all other details of the counting of the ballots as confidential.

Section 4.05. Nomination. Members of the Association desiring to run for election to the Board of Directors must file a declaration with the Secretary of the Board not less than twenty (20) days before the meeting stating that they wish to run for election to the Board, and may include a statement of not more than fifty (50) words that they wish to be included in the ballot to be sent to all members. 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 4.06. Election. Directors shall be elected at the annual meeting provided in Article 3. A Member who owns more than one home shall be entitled to one (1) vote for each home that (s)he owns.

Voting for the Board of Directors shall be by written ballot. The ballot shall be prepared by the Elections Committee and shall contain the name of each person nominated for election. Those five (5) persons receiving the highest number of votes shall be elected.

In the event that there are not more than five (5) persons nominated for election, the Elections committee may instruct the Members to vote for three (3), or four (4) persons to serve on the Board of Directors for the upcoming year. In the event that this occurs, those three (3), or four (4) persons receiving the highest number of votes shall be elected.

Section 4.07. Term. Each Director shall serve for a term of two (2) years or until his successor is elected and qualified. The terms of the members shall be staggered by dividing the total number of members into two (2) groups, with each group containing one-half (1/2) of the total, as near as may be. The terms of Members in the first group shall expire at the first annual shareholders' meeting after their election. The terms of the second group shall expire at the second annual shareholders' meeting after their election. At each annual shareholders' meeting held thereafter, directors shall be chosen for a term of two (2) years to succeed those whose terms expire. Incumbent Directors shall be eligible for re-election.

Section 4.08. 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 be made in writing and shall take effect at the time specified therein, and, if no time be specified, at the time of its acceptance by the President or the Secretary. The acceptance of a resignation shall not be necessary to make it effective.

Section 4.09. Vacancies. Any vacancy occurring on the Board of Directors caused by death, resignation or otherwise, shall be filled until the next annual meeting through a vote of a majority of the remaining members of the Board. If 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.

Section 4.10. Meetings. The Board of Directors shall meet in 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 business that 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 4.08. 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 one-third (1/3) of the membership of the Board, which request shall set forth the business to be conducted at such meeting.

Section 4.11. Notice of Meetings. Notice of all meetings of the Board of Directors, except as herein otherwise provided, shall be given by mailing the same at least three (3) days or by telephoning or telegraphing the same at least twelve (12) hours 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 writing 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. 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 4.12. 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 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 Supplementary 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 4.13. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if prior to such action a written consent to such action is signed by all of the Directors and such written consent is filed with the minutes of the proceedings of the Board of Directors.

Section 4.14. 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. Commencing in the first year in which there are no Class B Members, 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 Sections 4.05 and 4.06.

Section 4.15. Powers. All 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 in the Register of Regulations, and enforce rules and regulations governing the use of the Community 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 and any Supplementary 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 Community 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, replacements, restoration, and operation of the Community Area and the business and affairs of the Corporation.

Section 4.16. Duties. It shall be the duty of the Board of Directors to:

- (a) cause the Community 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 Community Area and facilities located thereon, and the personal conduct of the Members, Associate

Members, their tenants and guests, and to include these in the Register of Regulations;

- (c) suspend the right of an Owner to use the recreational facilities during any period during which such Owner shall be in default for more than thirty (30) days after notice in the Payment of any Assessment. Such right of Members may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for violation of any provision of the Declaration, any Supplementary Declaration or the Register of Regulations;
- (d) cause to be kept a complete record of all its corporate affairs including the Register of Regulations, making such records available for inspection by any Member or his authorized agent, and present an annual report thereof to the Members;
- (e) supervise all officers, agents and employees of the Corporation and see that their duties are properly performed;
- (f) 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;
- (g) designate depositories for the funds of the Corporation, designate those officers, agents and/or employees who shall have the authority to withdraw funds from such accounts on behalf of the Corporation, and cause such persons to be bonded, as it may deem appropriate;
- (h) hold a public hearing on the proposed annual budget and approve the annual budget;
- (i) fix annual General and Parcel Assessments at amounts sufficient to meet the obligations imposed by the Declaration and all Supplementary Declarations;
- (j) annually set the date(s) Assessments are due and decide what, if any, interest rate is to be applied to the Assessments which remain unpaid thirty (30) days after they become due;
- (k) 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;
- (l) 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;

- (m) procure and maintain adequate insurance to protect the Corporation, its employees and its personal and real properties;
- (n) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Declaration;
- (o) appoint such committees as are prescribed in Section 4.14;
- (p) faithfully observe and perform each duty imposed on the Corporation by the terms of the Declaration and each Supplementary Declaration and exercise such discretion granted to the Board thereunder in the best interests of the Members; and
- (q) exercise their powers and duties in good faith, with a view to the interests of the Corporation and to this end adopt appropriate guidelines for action on matters where a potential conflict of interest may exist.

Section 4.17. Non-Liability of Directors. The Directors shall not be liable to any Person for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. 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 Articles or 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. Every contract made by the Board or any management agent on behalf of the Corporation shall provide that the Board of Directors is acting as agent for the Members and shall have no personal liability thereunder, except in their capacity as Members and then only to the extent of their fractional interest described above.

Section 4.18. Additional Indemnity of Directors. The Members shall indemnify any Person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his

duties. The Members shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Corporation or statements or advice made by or prepared by any management agent employed by the Board on behalf of the Corporation, or any officer or employee thereof, or any accountant, attorney or other Person employed by the Corporation to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 4.19. 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 Developer) 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 of any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose if:

- (a) the fact of the affiliation or interest is disclosed or known to the Board or a majority thereof or noted in the minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or
- (b) the fact of the affiliation or interest is disclosed or known to the Class A Members, or a majority thereof, and they approve and ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- (c) the contract or transaction is commercially reasonable to the Corporation at the time it is authorized, ratified, approved or executed.

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, and may vote thereat to authorize any contract or transaction with like force and effect as if they were not so affiliated or not so interested.

Section 4.20. Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all the structures located in the Community 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 General Assessment.

Section 4.21. 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 contractors, 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 Corporations reserve for replacements.

Section 4.22. 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 2.03 (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 insured loss.

Section 4.23. 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 5

The Officers of the Corporation

Section 5.01. 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, except that the duties of the President and the Secretary shall not be performed 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 5.02. Election, Term of Office and Qualifications. The officers shall be chosen annually by the Board of Directors. Each officer shall hold office until the next annual meeting of the Board of Directors or until his successor is chosen and qualified.

Section 5.03. Vacancies. In the Event of 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 until the next annual meeting of the Board or until the Election and qualification of his successor.

Section 5.04. 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 5.05. 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 5.06. Secretary. The Secretary shall have the custody and care of the corporate records and the minute book of the Corporation. He shall attend all 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 records 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, and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Board of Directors.

Section 5.07. 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 reliable 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.

Section 5.08. Removal. Any officer of the Corporation may be removed from office 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 for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interests of the Corporation, for lack of sympathy with its objects, or for refusal to render reasonable assistance in carrying out its purposes. 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 5.09. 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 6

Architectural Review Board

Section 6.01(a). Composition. The Architectural Review Board shall be comprised of three (3) or more members appointed by the Class B Members. At such time as there are not Class B Members, the Architectural Review Board shall be elected by the Board of Directors by a vote of a majority of the Directors then serving. No member of the Architectural Review Board shall simultaneously serve as a member of the Board of Directors unless such a member is a Class B Member of the Corporation or an Associate Member appointed by a Class B Member.

Section 6.01(b). Term and Election. Each member shall serve for a term of two (2) years or until his successor is elected and qualified. The terms of the members shall be staggered by dividing the total number of members into two (2) groups, with each group containing one-half (1/2) of the total, as near as may be. The terms of Members in the first group shall expire at the first annual shareholders' meeting after their election. The terms of the second group shall expire at the second annual shareholders' meeting after their election. At the annual shareholders' meeting, the Members shall be chosen for a term of two (2) years to succeed those whose terms expire. Incumbent Members shall be eligible for re-election. The Members of the Architectural Board are responsible for nominating successor candidates to the Board of Directors for election of replacements for outgoing Members.

Section 6.02. Organization. The Architectural Review Board shall elect from among its membership a chairman, secretary and such other officers as it deems appropriate.

Section 6.03. 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 6.04. Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location and maintenance of the Tract and of improvements thereon and to regulate such uses of property, all as provided in the Declaration.

Section 6.05. 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 incorporated in the Register of Regulations and the Architectural Review Board shall act in accordance therewith.

ARTICLE 7

Loans to Officers and Directors

The Corporation shall not make any advancement for services to be performed in the future nor shall it make any loan of money or property to any officer or directors of the Corporation.

ARTICLE 8

Corporate Books

Except as otherwise provided by the laws of the State of Indiana, by the Articles, or these By-Laws, the books and records of the Corporation may be kept at such place or places, within or without the State of Indiana, as the Board of Directors may from time to time by resolution determine, but all of such books and records shall be open for inspection to any Member at any reasonable time for purposes reasonable related to his interest as a Member.

ARTICLE 9

Financial Affairs

Section 9.01. 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 9.02. Checks, Etc. All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money, 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, Vice President, Secretary or Treasurer. The Board of Directors may, however, designate officers or employees of the Corporation, other than those named above, who may, in the name of the Corporation, execute drafts, checks and orders for the payment of money on its behalf.

Section 9.03. 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 9.04. 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 Developer, 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 9.05. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 9.06. Assessment Year. The assessment year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 9.07. Auditing. Upon vote of majority of the voting membership and/or upon vote of the majority of the Board of Directors, the books and accounts of the Corporation shall 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 who requests a copy thereof.

ARTICLE 10

Amendments

The power to make, alter, amend or repeal the By-Laws is vested in the Board of Directors, which power shall be exercised by affirmative vote of a two-thirds (2/3) majority of the Directors present at any meeting of the Board. Any proposed amendment shall be included in the notice of such meeting, and, to become effective, shall be approved in writing by the Class B Members, if any. If notice of a proposed amendment to the By-Laws is included in the notice of any meeting of the Board, it shall be in order to consider and adopt at that meeting any amendment to the By-Laws dealing with the subject matter with which the proposed amendment is concerned.