

GEORGETOWNE PLACE COMMUNITY ASSOCIATION, INC.

BY-LAWS

IDENTIFICATION AND DEFINITIONS

SECTION 1.01. -- Name

The name of the Corporation shall be GeorgeTowne Place Community Association, Inc., an Indiana not-for-profit corporation, its successors and assigns;

SECTION 1.02. -- Definitions

The following terms, for purposes of these By-Laws, are defined as follows:

- (a) "Association" shall mean and refer to GeorgeTowne Place Community Association, Inc.
- (b) "GeorgeTowne Place Development Corp." shall mean and refer to the owner and developer of the subdivision of GeorgeTowne Place, which entity is an Indiana Corporation.
- (c) "Common Areas" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners, said areas being designated on the plats of GeorgeTowne Place, Section I and Section II, as "Common Area".
- (d) "Lot" shall mean and refer to either any of said lots as platted or any tract or tracts of land as conveyed originally or by subsequent owners, which may consist of one or more lots or parts of one or more lots as platted upon which a residence may be erected in accordance with the restrictive covenants;
- (e) "Members" shall mean and refer to those persons or entities entitled to membership as provided in the restrictive covenants and Article II of these By-Laws;
- (f) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is part of the

properties, including contract sellers, but excluding those having such interest merely as security for their performance of an obligation;

- (g) "Properties" shall mean and refer to that certain real estate constituting the subdivision located in Allen County, Indiana, known as GeorgeTowne Place.
- (h) "Restrictive Covenants" shall mean and refer to the Protective Restrictions, Covenants, Limitations and Easements for GeorgeTowne Place, Section I and GeorgeTowne Place Section II, in Allen County, Indiana, applicable to the properties and as appended to the plat of GeorgeTowne Place Section I and Section II and shown in the records of the Office of the Recorder of Allen County, Indiana.

SECTION 1.03. -- Fiscal Year

The fiscal year of the corporation shall begin at the beginning of the first day of January and end at the close of the last day of December next succeeding.

SECTION 1.04. -- Corporate Seal

The corporation shall have no corporate seal.

ARTICLE II

MEMBERSHIP

SECTION 2.01. -- Membership

Clause 2.011. Every Owner of a lot which is subject to assessment and GeorgeTowne Place Development Corp., shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment, as set forth in the Restrictive Covenants.

Clause 2.012. The Association shall have two (2) classes of voting.

Class A. Class A Members shall be all Owners of lots, with the exception of GeorgeTowne Place Development Corp. and shall be

entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The Class B Member shall be GeorgeTowne Place Development Corp. and shall be entitled to three (3) votes for each Lot owned. 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:

(a) When fee simple title to seventy-five (75%) percent of the Lots in GeorgeTowne Place have been conveyed by GeorgeTowne Place Development Corp. or;

(b) On December 31, 1996.

SECTION 2.02. -- Certificates

The Board of Directors shall cause the Association to issue a certificate from the Association, signed by the President or Vice President and the Secretary or Assistant Secretary, stating that an Owner is a member of the Association.

SECTION 2.03. -- Form of Certificates

The certificates to represent the memberships of the Association shall be in such form, not inconsistent with the laws of the State of Indiana, as may be adopted by the Board of Directors.

SECTION 2.04. -- Transfer of Certificates

The membership certificates of the Association shall be transferable on the books of the Association upon surrender of the membership certificates representing the same, properly endorsed by the registered holder or by his duly authorized attorney, such endorsement or endorsements to be witnessed by one witness. The requirement for such witnessing by one witness may be waived upon the form of endorsement by the President of the Association.

SECTION 2.05. -- Closing of Transfer Books

The transfer books shall be closed for a period of ten (10) days prior to the date set for any meeting of members, and during such period no new membership certificate shall be issued by the Association and no change or transfer shall be made upon the records thereof.

SECTION 2.06. -- Assessments

Clause 2.061. Each member of the Association, other than GeorgeTowne Place Development Corp., shall be assessed an amount determined as hereinafter stated as annual membership assessment for the Association. The assessments levied by the Association shall be used exclusively:

- (a) to promote the recreation, health, safety and welfare of the residents in the Properties;
- (b) for the improvement and maintenance of the Common Areas and facilities therein;
- (c) for the care, preservation, supervision, improvement and maintenance and the operation by the Association of the storm water drainage system and of the storm water detention basin together with its outlet and water level control structures, and of the park area and improvements situated thereon, including but not limited to (i) the payment of taxes and insurance in connection therewith; (ii) the repair, replacement and making of additions thereto; (iii) the payment of the costs of labor and equipment and materials required, and management, supervision, maintenance and repair, and (iv) any other repair or modifications as may be required from time to time by the proper public authority having jurisdiction over the system.

All of which shall hereinafter be referred to as "Common Properties" for purposes of maintenance and the cost of which shall be considered as part of the "Common Expenses". In addition, the corporation shall perform such other functions as may be designated for it to perform under the By-Laws or the Restrictive Covenants.

The authorized representatives of the Association and/or the Board of Directors shall be entitled to reasonable access to any Lot as may be required in connection with maintenance, repairs, or replacements of or to the Common Properties and items deemed as Common Properties for purposes of maintenance.

Clause 2.062. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Thirty Dollars (\$30.00) per Lot. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 6% above the maximum assessment for the previous year without a vote of the membership.

Clause 2.063. Commencing January 1 of the year following the conveyance of the first Lot to an Owner, and annually thereafter, the assessments shall be fixed by the Board of Directors at least thirty (30) days prior to the commencement of the next fiscal year based upon a prospective temporary budget of the revenues and Common Expenses of the Association, to be revised if needed, according to the following procedure:

- (a) Budget. Annually, after the close of each fiscal year of the Association and prior to the date of the annual meeting of the Association next following the end of such fiscal year,

the Board of Directors of the Association shall cause to be prepared and to be furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then serving the Association, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year. In addition thereto, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the expenses of the Association for the Common Expenses and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote; provided that any increase in the maximum annual assessment for the current fiscal year of more than six percent (6%) above the maximum assessment for the previous year must be approved by a vote or written assent of 51% of each class of members who are voting in person or by proxy; provided further, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting. The annual budget, the Assessments and all other sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the assessments shall, in

addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Properties (or items deemed Common Properties for purposes of maintenance), which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Properties. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Properties (or items deemed Common Properties for maintenance) shall be maintained by the Association in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Allen County, Indiana selected from time to time by the Board. The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver of release in any manner of the obligations of the Owners to pay said assessments for the Common Expenses as provided, whenever determined. Whenever, whether before or after the annual meeting of the Association, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay assessments based upon the last approved budget.

- (b) Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed equal assessment against each Lot of the Association (other than lots still titled to GeorgeTowne Place Development Corp.), deemed the Regular Assessment, which

shall be a sum sufficient to cover the estimated costs of maintenance, repair and upkeep of the Common Properties and the payment of the Common Expenses.

Immediately following the adoption of the annual budget, each Owner shall be given written notice of such Regular Assessment for the current fiscal year. In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such assessments shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the actual assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final budget, including reserve funds as hereinabove provided.

- (c) Payment of Assessments. The Regular Assessment against each Lot shall be due and payable in advance on or before the first day of the second month following the adoption of the annual budget. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum.
- (d) Lien. The Regular Assessment for the current fiscal year shall become a lien on each separate Lot as of the first day of each fiscal year of the Association, even though the final determination of the amount of such Assessment may not have been made by that Date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in

part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys, or transfers his or her Lot or any interest therein, shall not relieve or release such Owner or his successor as owner of such Lot from payment of the Regular Assessment for such Lot as finally determined, and such Owner and his successor as owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessment furnished by the Association hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations.

Clause 2.064. Special and Restoration Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time unless otherwise provided in the By-Laws or Restrictive Covenants, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Lot, pro-rated in equal shares (herein called "Special Assessment"); provided, that any such assessment shall have the assent of sixty-seven percent (67%) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Without limiting the generality of the foregoing provision,

Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in this Declaration.

The Corporation may also levy a Restoration Assessment upon any Lot whose Owner fails to maintain such Lot, as provided in Article VI of the restrictive covenants. Restoration Assessments shall be limited to the actual amount necessary to meet the cost of restoration and the cost of collection thereof.

Clause 2.065. No Owner (other than GeorgeTowne Place Development Corp.) may exempt himself from paying assessments, whether they be Regular Assessments, Special Assessments, or Restoration Assessments, or from contributing toward the expenses of administration and of the maintenance and repair of the Common Properties and the payment of Common Expenses by waiver of the use or enjoyment of the Common Properties or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to pay any payment of any assessment when due, the lien for such assessment on the Owner's Lot may be filed and foreclosed by the Board for and on behalf of the Association as a mortgage on real property or as otherwise provided by law. Upon the failure of an Owner to make timely payments of any assessments, when due, the Board may in its discretion, accelerate the entire balance of the unpaid assessments and declare the same immediately due and payable, notwithstanding any other provisions hereof

to the contrary. In any action to foreclose the lien for any assessments, the Owner and any occupant of the Lot shall be jointly and severally liable for the payment to the Association of reasonable rental for such Lot, and the Board shall be entitled to be appointment of a receiver for the purpose of preserving the Lot and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid assessment without foreclosing or waiving the lien securing the same. In any action to recover an assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover from the Owner of the respective Lot costs and expenses of such action incurred (including but not limited to reasonable attorney's fees) and interest from the date such assessments were due, until paid, at a rate equal to the "prime interest rate" then being charged by Summit Bank of Fort Wayne, Indiana, or any successor in interest thereof, to its largest and best corporate customers (or if said Bank is no longer in existence, then such rate charged by another bank in Allen County, Indiana selected by the Board).

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Notwithstanding anything contained herein, in the Articles or in the Restrictive Covenants, any sale or transfer of a Lot to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any assessment as to such installments which became due prior to such sale, transfer, or conveyance; provided, however, that the

extinguishment of such lien shall not relieve the prior owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Lot or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular Assessment, Special Assessments or Restoration Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any assessment, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the subject Lot from which it arose).

Clause 2.066. In exchange for GeorgeTowne Place Development Corp.'s covenant to maintain all unimproved Lots owned by it, it shall be exempt from all assessments, unless it constructs a Dwelling Unit upon a Lot, in which case it shall be subject to the Regular Assessment.

Clause 2.067. No part of any assessment or any other income of the Association shall inure to the private benefit of any member.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 3.01. -- Place of Meetings

All meetings of Members shall be held within this state and at the principal office of the Association, unless otherwise provided in the Articles of Incorporation.

SECTION 3.02. -- Annual Meetings

The annual meeting of the Members for the election of directors and for the transaction of such other business as may come properly before the meeting shall be held at 7:00 o'clock p.m. on the fourth Thursday in April each year, if such day is not a legal holiday, and if a holiday, then on the first following day that is not a legal holiday. If for any reason the annual

meeting of the members shall not be held at the time and place herein provided, the same may be held at any time thereafter, but not later than six (6) months after the close of such fiscal year of the Association.

SECTION 3.03. -- Special Meetings

Special meetings of the Members may be called by the President, by the Board of Directors, or upon a written petition signed by one-tenth (1/10) of all Members authorized to vote by the Articles of Incorporation. If at any special meeting called to consider assessments, a quorum is not present, subsequent special meetings may be called to consider the assessment issue, but the subsequent special meeting must be held within sixty (60) days of the first special meeting.

SECTION 3.04. -- Notice of Meetings

A written or printed notice, state the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary or by the officers or persons calling the meeting, to each member of the Association at the time entitled to vote, at such address as appears upon the records of the Association, at least ten (10) days before the date of the meeting; except that, where the meeting is called for the purpose of taking any action authorized under Section 2.06 of these By-Laws, the written notice shall be sent not less than twenty (20) days nor more than sixty (60) days in advance of the meeting. Notice of any such meeting may be waived in writing 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 thereof. Attendance at any meeting, in person or by proxy, shall constitute a waiver of notice of such meeting.

SECTION 3.05. -- Voting at meetings

Clause 3.051. Voting Rights. Except as otherwise provided by the provisions of the Articles of Incorporation or these By-Laws, every member shall have the right at every membership meeting of the Association to one vote for each membership standing in his name on the books of the Association. No member shall vote at any meeting if he is not current with his annual assessments or if he becomes a member within ten (10)

days next preceding the date of the meeting.

Clause 3.052. Proxies. A member may vote, either in person or by proxy executed in writing by the member or a duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless a longer time is expressly provided therein.

Clause 3.053. Quorum and Voting. Unless otherwise provided herein or by the Articles of Incorporation, at any meeting of the members, a majority of the memberships outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum. If the required quorum is not present at the meeting called to consider assessments, and a second meeting is called, subject to the same notice requirement, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Unless otherwise provided by law the Articles of Incorporation, or, herein, at all meetings of members, all matters shall be decided by the affirmative vote of a majority of votes cast by members present in person or by proxy.

Clause 3.054. Organization. The President shall call meetings of the members and shall act as Chairman of such meetings, and the Secretary of the corporation shall act as Secretary of all meetings of the members.

IV

BOARD OF DIRECTORS

SECTION 4.01. -- Board of Directors

The Board of Directors shall consist of not less than three (3) nor more than nine (9) members. The initial Board of Directors shall consist of three (3) members. Such Directors shall be elected annually at the annual meeting of the members. Such

Directors shall hold office until the next annual meeting of the members or until their successors are elected and qualified. Directors need not be members of the Association.

SECTION 4.02. -- Powers and Duties

The corporate power of this Association shall be vested in the Board of Directors, who shall manage and control the business of the Association.

Clause 4.021. Powers. The Board of Directors shall have power to control the Association, which powers shall include, but are not limited to, the following:

- (a) adopt and publish rules and regulations governing the use of the common area and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use the common area of a member during any period in which such member shall be in default of the payment of any assessment levied by the Association;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the restrictive covenants;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent for three consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Clause 4.022. Duties. In addition to its other duties, it shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its actions and association affairs and to present a statement thereof to the members at the annual or special meeting of the members;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) cause the common areas to be properly and carefully maintained;
- (d) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay same;
- (e) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (f) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (g) cause all officers or employees having fiscal responsibilities to be bonded; as it may deem appropriate;
- (h) cause all of the restrictive covenants to be adhered to and enforced.

SECTION 4.03. -- Resignation

A director may resign at any time by filing his written resignation with the Secretary.

SECTION 4.04. -- Removal

At a meeting of members called expressly for that purpose, directors may be removed in the manner provided in this section, unless otherwise provided in the Articles of Incorporation. A quorum being present at such meeting, any or all of the members of the Board of Directors may be removed, with or without cause, by a two-third (2/3) vote of the members then entitled to vote at an election of directors.

SECTION 4.05. -- Vacancies

In case of any vacancy in the Board of Directors through death, resignation, removal or other cause, the remaining directors by the affirmative vote of a majority thereof may elect a successor fill such vacancy until the next annual meeting and until his successor is elected and qualified. If the vote of the remaining members of the Board shall result in a tie, the vacancy shall be filled by members at the annual meeting or a special meeting called for the purpose. Members shall be notified of the name, address, principal occupation and other pertinent information about any director elected by the Board to fill any vacancy.

SECTION 4.06. -- Annual Meeting

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 that may be brought before this 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 had at any subsequent meeting of the Board specifically called in the manner provided in Section 4.07 following.

SECTION 4.07. -- Other Meetings

Other meetings of the Board of Directors may be held upon the call of the President, or of a member of the Board of Directors, at any place within or without the State of Indiana, upon forty-eight (48) hours' notice, specifying the time, place, and general purposes of the meeting, given to each director, either personally, by mailing, or by telegram. At any meeting at which all directors are present, notice of the time, place and purpose thereof shall be deemed waived; and similar notice may likewise be waived by absent directors, either by written instrument or by telegram.

SECTION 4.08. -- Quorum and Voting

At any meeting of the Board of Directors, the presence of at least three (3) members of the Board elected and qualified shall constitute a quorum for the transaction of any business except the filing of vacancies in the Board of Directors. Unless otherwise provided by law, or in the Articles of Incorporation, at all meetings of the Board of Directors, a quorum being present, all matters shall be decided by the affirmative vote of a majority of directors present. The act of a majority of the directors present at a meeting who constitute a quorum shall be the act of the Board of Directors.

SECTION 4.09. -- Board Action Without 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 members of the Board, and written consent is filed with the minutes of proceedings of the Board.

SECTION 4.10. -- Organization

The President shall call meetings of the Board of Directors to order, and shall act as Chairman of such meetings. The Secretary of the Association shall act as Secretary of the Board of Directors.

SECTION 4.11. -- Order of Business

The order of business of all meetings of the Board of Directors shall be as follows:

- 1) Roll call
- 2) Reading of the minutes of the preceding meeting and action thereon
- 3) Reports of officers
- 4) Reports of committees
- 5) Unfinished business
- 6) Miscellaneous business
- 7) New business

ARTICLE V

OFFICERS OF THE ASSOCIATION

SECTION 5.01. -- Officers

The officers of the Association shall consist of a President, one or more Vice Presidents, Secretary, and Treasurer. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person. The Board of Directors by resolution may create and define the duties of other officers of the Association and shall elect or appoint persons to fill all such offices. Election or appointment of an officer shall not of itself create contract rights.

SECTION 5.02. -- Vacancies

Whenever any vacancies shall occur in any office by death, resignation, increase in the number of offices of the Association, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office until his successor is chosen and qualified.

SECTION 5.03. -- President

The President is the chief executive officer of the Association and has general and active supervision and direction over the business and affairs of the Association and over the Association's several officers, subject, however, to the direction and control of the Board of Directors. The President shall, if present, preside at each meeting of the members and of the Board of Directors. The President shall sign with the Secretary membership certificates of the Association. Unless otherwise provided by law or in the Articles of Incorporation, or by the Board of Directors, the President may sign, execute, and deliver in the name of the Association, all deeds, mortgages, bonds, contracts, or other instruments, authorized by the Board of Directors. In general, the President shall perform all duties incident to the office of the President and such other duties as may from time to time be assigned to him by the By-Laws or by the Board of Directors.

SECTION 5.04. -- Secretary

The Secretary shall have the custody and care of the records, minutes and books of the Association. He shall attend all meetings of the shareholders and of the Board of Directors, and

shall keep or cause to be kept in a book provided for such purpose, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees appointed by the Board of Directors, when required. He shall attend to the giving and serving of all notices of the Association, shall file and take charge of all papers and documents belonging to the Association and shall perform such other duties as the By-Laws may require or the Board of Directors may prescribe.

SECTION 5.05. -- Treasurer

The Treasurer shall keep correct and complete records of account, showing accurately at all time, the financial condition of the Association. 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 Association. He shall immediately deposit all funds of the Association 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 Association. He shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Association, and shall perform such other duties as the By-Laws may require or the Board of Directors may prescribe. The Treasurer may be required to furnish bond in such amount as shall be determined by the Board of Directors.

SECTION 5.06. -- Vice President

The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and perform such other duties as the By-Laws may require or the Board of Directors may prescribe.

SECTION 5.07. -- Loans to Officers

No loan of money or property or any advance on account of services to be performed in the future shall be made to any officer or director by the corporation.

ARTICLE VI

ASSOCIATION BOOKS

SECTION 6.01. -- Place of Keeping, in General

— Except as otherwise provided by the laws of the State of Indiana, by the Articles of Incorporation of the Association, or by these By-Laws, the books and records of the Association 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.

SECTION 6.02. -- Membership List

A membership list, alphabetically arranged, giving the names and addresses of all members, shall be kept at the principal office of the Association in the State of Indiana.

ARTICLE VII

DECLARATION OF COVENANTS

SECTION 7.01. -- Declaration of Covenants

The Restrictive Covenants (as defined in Section 1.02(g)) are incorporated by reference in these By-Laws.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

SECTION 8.01. -- Indemnification of Directors, Officers and employees

Each Director and Officer shall be and hereby is indemnified by the Association against:

- (a) expenses incurred or paid by him in connection with any claim made against him or any actual or threatened action, suit or proceeding (civil, criminal, administrative, investigative, or other, including appeals, and whether or not relating to a date prior to the adoption of this Article) in which he may be involved as a party or otherwise, by reason of any action taken or not taken by him in such capacity, and
- (b) a director or officer who has been wholly successful, on the merits or otherwise, in defense of any claim, issue or matter therein, shall be entitled as a right to indemnification for expense incurred by him

therein. In any other case indemnification shall be made only upon a determination made, in the manner provided in paragraph (c) below, the the director or officer acted in good faith for a purpose which he reasonably believed to be in the best interest of the Association or such other association, as the case may be, and in addition, in any criminal action or proceeding that he had no reasonable cause to believe that his conduct was unlawful and, in case of any amount or amounts paid in settlement, that such settlement is or was reasonable and in the interest of the Association; provided, however, if at any time hereafter any statutory provisions are enacted by the State of Indiana which prohibit indemnification in respect of any claim issue or matter other than after a determination thereof in the manner therein provided, then, and in such event, indemnification in respect thereof shall be made only in accordance with the provisions of such statutory enactment, and

- (c) all determinations required or permitted by this Article, except those to be made pursuant to statutory provisions, shall be made by a majority of a quorum of the Board of Directors comprised of those directors who are not parties to such claim, action, suit, or proceeding, or if not such quorum exists, or, if such quorum exists and it so resolves, by a group of three or more disinterested person to whom the questions shall be referred by a quorum of the entire Board of Directors. Nothing herein shall preclude the corporation from using a member or members of the firm of its regular legal counsel as such a disinterested group or as a portion thereof. In determining whether a director or officer has met the standards of conduct above set forth, or whether a settlement is or was reasonable and in the interest of the Association, the said majority of a quorum of the Board of Directors, or such disinterested group, as the case may be, may conclusively rely upon the opinion as to facts or law or both of independent legal counsel selected by them. Neither termination of any claim, action, suite of proceedings, civil or criminal, by judgment, order, settlement or conviction nor the entry in a criminal case of any plea shall create a presumption that a director or officer did not meet the standards of conduct above set forth.

Subject to the limitations hereinabove imposed, it is intended by this Article to grant indemnity to the full extent permissible under the law. It is not intended, however, that the provisions of this Article shall be applicable to, and they are not to be construed as granting indemnity with respect to matter as to which indemnification would be in contravention of the laws of the State of Indiana or of the United States of America whether as a matter of public policy or pursuant to statutory provisions.

ARTICLE IX

AMENDMENTS

SECTION 8.01. -- Amendments

By-Lays may be adopted, amended, or replaced at any meeting of the Board of Directors.

