

ARTICLES OF INCORPORATION

PSA

OF

THE POINTE SERVICE ASSOCIATION, INC.

Exhibit III

The undersigned incorporator, desiring to form a corporation hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Not-For-Profit Corporation Act of 1971, (hereinafter referred to as the "Act"), executed the following Articles of Incorporation.

ARTICLE I

Name

The name of the Corporation is THE POINTE SERVICE ASSOCIATION,

INC.

ARTICLE II

Purposes

This Association shall operate entirely without pecuniary gain or profit to its members. The purposes for which this corporation is formed are to maintain, preserve and exercise general control for the mutual benefit of all members over certain land located in Monroe County, Indiana, which is now or may hereafter become subject to the use by and benefit of all owners of lots or of condominium units in horizontal property regimes created at The Pointe, a proposed multi-phase condominium development, and to promote the health, safety and welfare of all residents at The Pointe and for these purposes to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the By-Laws and in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the office of Recorder of Monroe County, Indiana, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and the By-Laws of the Corporation; 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) acquire (by gift, purchase or otherwise), hold, own, 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) borrow money, and 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 Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors;

(f) have and to exercise any and all powers, rights and privileges which a corporation organized under the Not-For-Profit Corporation Law of the State of Indiana by law may now or hereafter have or exercise.

ARTICLE III

Period of Existence

The period during which the Corporation shall continue is perpetual.

ARTICLE IV

Resident Agent and Principal Office

Section 1. Resident Agent. The name and address of the Resident Agent in charge of the Corporation's principal office is Brun N. Smith, R. R. #4, Box 304, Bloomington, Indiana.

Section 2. Principal Office. The post office address of principal office of the Corporation is R. R. #4, Box 304, Muncie, Indiana.

ARTICLE V

Membership

Every person or entity who is a record owner of a fee or undivided fee interest in any condominium unit or any Lot, as the same is defined in the Declaration of Condominium for LaSalle's Woods at The Pointe, or any other condominium declaration which may hereafter be recorded to establish horizontal property regimes or restrictions establishing this Association, including contract documents, shall be a member of the Association. The foregoing is intended to include persons or entities who hold an interest solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a condominium unit or Lot which is subject to assessment by the Association.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each condominium unit or Lot owned. When more than one person holds an interest in any condominium unit or Lot, all such persons shall be members. The vote for such condominium unit or Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any condominium unit or Lot.

Class B. The Class B member shall be the Developer (as defined in the Declaration), and shall be entitled to 1500 votes. The Class B memberships shall cease and become a nullity on the happening of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B memberships; or

(b) on January 1, 1990; or

(c) upon surrender of said Class-B membership by the holder thereof for cancellation on the books of the Association.

ARTICLE VI

Directors

Section 1. Number of Directors. The initial Board of Directors is composed of three members. If the exact number of Directors is not stated, the minimum number shall be three and the maximum number shall be equal to the number of condominium regimes in Points unless the number of regimes is an even number in which event an additional at-large Director shall be elected. It is provided, however, that the exact number of Directors shall be as prescribed from time to time in the By-Laws of the Corporation; and it is further provided that under no circumstances shall the minimum number be less than three (3).

Section 2. Names and Post Office Addresses of the Directors. The names and post office addresses of the initial Board of Directors are as follows:

<u>Name</u>	<u>Number and Street or Building</u>	<u>City and State</u>	<u>Zip Code</u>
Brun N. Smith	4410 Sheffield Dr.	Bloomington, Ind.	47401
Art Enoch	4701 N. Pennsylvania St.	Indianapolis, Ind.	46205
Les Kaiser, M.D.	4909 N. Meridian St.	Indianapolis, Ind.	46208

ARTICLE VII

Incorporator

Section 1. Name and Post Office Address. The name and post office address of the incorporator of the Corporation is as follows:

<u>Name</u>	<u>Number and Street or Building</u>	<u>City and State</u>	<u>Zip Code</u>
Brun N. Smith	R. R. #4, Box 304	Bloomington, Ind.	47401

ARTICLE VIII

Statement of Property

A statement of the property and an estimate of the value thereof, taken over by this Corporation at or upon its incorporation are as follows:

No property will be taken over by this Corporation at or upon its incorporation. Thereafter certain property constituting roadways and common greenbelt areas not within any individual horizontal property regime may be conveyed to the corporation but the value thereof is not presently ascertainable.

ARTICLE IX

Provisions for Regulation and Conduct of the Affairs of Corporation

Section 1. Meetings of Members. Meetings of the members of the Corporation shall be held at such place, within or without the State of Indiana, as may be authorized by the By-Laws and specified in the respective notices or waivers of notice of any such meetings.

Section 2. Meetings of Directors. Meetings of the Board of Directors of the Corporation shall be held at such place, within or without the State of Indiana, as may be authorized by the By-Laws and specified in the respective notices or waivers of notice of any such meeting.

Section 3. By-Laws. The regulation and conduct of the affairs of the Corporation shall be governed by the provisions of the By-Laws of the Corporation. The Board of Directors of the Corporation shall have the power to make, alter, amend or repeal the By-Laws of the Corporation.

Section 4. Amendment of Articles of Incorporation. The Corporation reserves the right to make, alter, amend, change or repeal these Articles in the manner now or hereinafter prescribed or permitted by the provisions of the Act or any amendment thereto or by any other applicable statute of the State of Indiana.

The undersigned, does hereby adopt these Articles of
incorporation, representing beforehand to the Secretary of State of
the State of Indiana and all persons whom it may concern that a
membership list or lists of the above named Corporation for which a
Certificate of Incorporation is hereby applied for, have heretofore
been opened in accordance with the law and that at least three (3)
persons have signed such membership list.

IN WITNESS WHEREOF, I the undersigned, do hereby execute
these Articles of Incorporation and certify the truth of the facts
as stated, this _____ day of _____, 1974.

(Written Signature)

LeBron N. Smith

(Printed Signature)

COUNTY OF INDIANA)
CITY OF _____)

SS: _____

Before me, a Notary Public in and for said county and State,
personally appeared the above Incorporator and acknowledged the
execution of the foregoing Articles of Incorporation.

WITNESS my hand and Notarial Seal this _____ day of
_____, 1974.

) Notary Public

My commission expires:

This instrument was prepared by Randolph L. Foxworthy, 2450 One Indiana
Square, Indianapolis, Indiana 46204.

BY-LAWS

THE POINTE SERVICE ASSOCIATION, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. The name of this corporation is as follows:

THE POINTE SERVICE ASSOCIATION, INC.

Its principal office is initially located at:

R.R. 4 Box 304
Bloomington, Indiana

ARTICLE II

Definitions

Section 1. Grantor. "Grantor", as used herein, means:

Caslon Development Company, a general partnership

Section 2. The Project. The "project" as used herein, means that certain community being developed by the Grantor in Monroe County, Indiana, known as "THE POINTE".

Section 3. Declaration. "Declaration", as used herein, means that certain Declaration of Covenants, Conditions and Restrictions made the _____ day of _____, 1974, by the Grantor, and which Declaration is recorded as Instrument No. _____ in Book _____, Pages _____, among the Land Records for Monroe County, Indiana.

Section 4. Association. "Association", as used herein, means The Pointe Service Association, Inc.

Section 5. Mortgage. "Mortgage", as used herein, shall include deed of trust, and the term "holder" or "mortgagee" shall include the party secured by any deed of trust or any beneficiary thereof.

Section 6. Regime. "Regime", as used herein, means any portion of the Project declared to be subject to the Horizontal Property Act.

Section 7. Unit. "Unit", as used herein, means and refers to an "apartment" or "condominium unit".

Section 8. Lot. "Lot", as used herein, means a parcel of subdivided land within the Project conveyed in fee simple, or a Unit.

Section 9. Dwelling. "Dwelling", as used herein means and refers to a single family residence within the Project, whether erected on a Lot conveyed in fee simple, or a Unit.

Section 10. Council of Co-Owners. "Council of Co-Owners", whenever used herein shall be deemed to mean and refer to the Board of Administrators of a Regime.

Section 11. Common Areas or Community Facilities. "Common Areas or Community Facilities" shall mean and refer to all property, real or personal, owned by the Association for the benefit, use and enjoyment of its members, the central road system of the Project and all facilities and property leased by the Association or wherein the Association has acquired rights by means of contract.

Section 12. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended all other terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE III

Membership

Section 1. Membership. The Association shall have two classes of voting membership:

(a) Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who is a record owner of a fee interest in any Lot which is or becomes subject by covenants of record to assessment by the Association shall be a Class A member of the Association provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a member solely on account of such interest.

(b) There shall be 1500 Class B memberships in the Association which shall be issued to the Grantor or its nominee or nominees as provided for in the Declaration. Each Class B membership shall lapse and become a nullity on the first to happen of the following events:

- (1) thirty (30) days following the date upon which the total authorized, issued and outstanding Class A memberships equal 1500; or

(ii) on January 1, 1990; or

(iii) upon surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Section 2. Membership Certificates. In the event the Board of Directors considers it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Association is organized under the laws of the State of Indiana the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the lot to which such membership is appurtenant. Membership is not otherwise transferable. Every membership certificate shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary and shall be sealed with the corporate seal. Such signatures and seal may be original or facsimile.

Section 3. Lost Certificates. The Board of Directors may direct new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder or holders of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association on account of the issuance of such new certificate.

Section 4. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association each Class A member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the members an amount equal to that proportion of such assets which the number of Class A memberships held by such member bears to the total number of Class A memberships then issued and outstanding; but in no event shall a member receive an amount greater than the total of the amounts advanced or loaned by him to the corporation plus the amounts paid in by him as membership dues or otherwise, together with simple interest at the rate of six per cent (6%) per annum.

ARTICLE IV

Meeting of Members

Section 1. Place of Meetings. Meetings of the membership shall be at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members of the Association shall be held at such time and place within the County, Indiana as may be designated by the Board of Directors, provided, however, that the first annual meeting of the members shall be held within thirty (30) days from the date of the occurrence or date described in Article III, Section 1, (i), (ii), or (iii). Thereafter, the annual meetings of the members shall be held on the third Saturday of March each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The members may also transact such other business as properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by at least thirty percent (40%) of each class of the then members, having been presented to the Secretary; provided, however, that no special meeting shall be called, except upon resolution of the Board of Directors, prior to the first annual meeting of members as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Advisory Meetings. The membership may, from time to time convene advisory meetings. The elections, resolutions and actions taken at such advisory meetings shall not bind the Association, its Directors or Officers, but shall be advisory only. All such advisory elections, resolutions and actions shall nevertheless be in accord with these By-Laws.

Section 5. Notice of Meeting. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purposes thereof, as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Association or if no such address appears, at his last known place of address, at least ten (10) but not more than thirty (30) days prior to such meeting. Notice by either such method shall be considered as notice served. Attendance by a member at any meeting of the members shall be a waiver by him of the time, place and purpose thereof.

Section 6. Quorum. The presence, either in person or by proxy, of members representing at least fifty-one percent (51%) of the members of record, shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of the Association. If the number of members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business shall thereafter be transacted.

Section 7. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than twenty-eight (28) hours from the time the original meeting was held.

Section 8. Voting. At every meeting of the members, each Class A member shall have the right to cast one vote for each Class A membership which he owns on each question. Each of the Class B members shall have the right to cast one vote for each Class B membership which he owns on each question. The vote of the members representing fifty-one percent (51%) of the total of the membership present at the meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of statute or of the Articles of Incorporation, or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association prior to the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Whenever in these By-Laws any action is required to be taken by a specified percentage of "each class of the then members" of the Association then such action shall be required to be taken by the specified percentage of the then outstanding members of the Association and the specified percentage of the then outstanding Class B members of the Association. Whenever these By-Laws any action is required to be taken by a specified percentage of the "then members" of the Association then such action shall be required to be taken by the specified percentage of the then outstanding cumulative membership of the Association.

Section 8. Proxies. A member may appoint any other member or the Director or Management Agent as his proxy. In no case may any member except the Grantor or the Management Agent cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. Unless otherwise stated by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the member.

Section 9. Rights of Mortgagees. Any institutional mortgagee of record who desires notice of the annual and special meetings of the members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the members should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in Section 4 of this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members present at any such meeting. Such representative shall have no voting rights at any such meeting.

Section 10. Order of Business. The order of business at all regularly scheduled meetings of the members shall be as follows:

- (a) Roll call and certificate of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Unfinished business.

- (g) New business
- (h) Election or appointment of inspectors of election.
- (i) Election of directors.
- (j) Adjournment.

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

ARTICLE V

Directors

Section 1. Number and Qualifications. The affairs of the Association shall be governed by the Board of Directors composed of an even number of at least three (3) natural persons. At the time of a first annual meeting of the members under Article II, Section 2 and thereafter, the number of Directors shall from time to time be adjusted in order to provide equitable representation of each Regime from time to time existing in the Pointe. A majority of the Directors (after the lapse of all of the Class B memberships as provided in Article III of these By-Laws) shall be members of the Association.

To be eligible for election as a Director, a person shall have been nominated as a candidate for such office either by the Class member or by the Council of Co-Owners in a Regime at The Pointe.

Section 2. Nomination of Directorial Candidates - Representation of Regimes. After the expiration of the Class B memberships, each Regime shall be represented by at least one Director. The nominee of the Regime receiving the greatest number of votes at the meeting shall be the Director representing such Regime. In the event that the number of Regimes is at any time an even number, there shall be one Director nominated and elected at-large and not nominated by a Regime.

Section 3. Initial Directors. The initial Directors shall be selected by the Grantor and need not be members of the Association. The names of the Directors who shall act as such until the first annual meeting of the members or until such time as their successors are duly chosen and qualified are as follows:

Section 4. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and

the members. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

To provide for the

(a) care, upkeep and surveillance of the common areas and community facilities and in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(b) establishment, collection, use and expenditure of assessments and/or carrying charges from the members and to provide for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) designation, hiring and/or dismissal of the personnel necessary for the good working order of the common areas and community facilities and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) the provisions of recreational facilities, whether required and owned by the Association or provided by means of contract with others.

(e) promulgation and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the common areas and community facilities as are designated to prevent unreasonable interference with the use and occupancy of the common areas and community facilities by the members, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration.

(f) authorization, in their discretion, of patronage refunds from residual receipts when and as are reflected in the annual reports.

Section 5. Budget. The Board of Directors, with the assistance and counsel of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Association to meet its annual expenses for that period. The budget herein required to be prepared and adopted by the Board of Directors shall be in format consistent with the classification of the accounts of the Association as hereinafter provided for in these By-Laws. Copies of the budget shall be available for examination by the members and by their duly authorized agents and attorneys, and to the institu-

holder of any first mortgage on any lot in the project and their duly authorized agents and attorneys, during normal business hours, for purposes reasonably related to their respective interests.

Section 6. Management Agent. The Board of Directors may employ the Association a management agent (the "Management Agent") at the rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing.

Section 7. Election and Term of Office. The term of the Directors provided herein and in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting held by ballot, unless balloting is dispensed with by the unanimous consent of the members present at any meeting, in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the members, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed at two (2) years and the term of office of the other Director or Directors shall be fixed at one (1) year. Directors shall hold office until their successors have been elected and hold their first meeting. In the alternative, the membership may, by resolution duly made and adopted at such first annual meeting, or at any subsequent annual meeting, elect to fix the term of each Director elected at such meeting at one (1) year. Unless the members shall resolve to fix the term of office of each Director at one (1) year, at the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years.

Section 8. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 9. Removal of Directors. At a regular meeting, or special meeting duly called for such purpose, (but only after the first annual meeting of members, as hereinabove provided for) any Director may be removed with or without cause by the affirmative vote of the majority of the entire membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the

ers shall be given an opportunity to be heard at the meeting.
term of any Director who is a Class A member and who becomes
than sixty (60) days delinquent in payment of any assessments
/or carrying charges due the Association may be terminated upon
olution of the remaining Directors and the remaining Directors
ll appoint his successor as provided in Section 8 of this
icle.

Section 10. Compensation. No compensation shall be paid to
Directors for their services as Directors. After the lapse of
l of the Class B memberships as provided for in Article III
these By-Laws, no remuneration shall be paid to any Director
o is also a Class A member of the Association for services
rformed by him for the Association in any other capacity unless
resolution authorizing such remuneration shall have been adopted
the Board of Directors before the services are undertaken.

Section 11. Organization Meeting. The first meeting of a newly
lected Board of Directors shall be held within ten (10) days of
lection at such place as shall be fixed by the Directors at the
eting at which such Directors were elected, and no notice shall
e necessary to the newly elected Directors in order legally to
onstitute such meeting, provided a majority of the whole Board of
Directors shall be present at such first meeting.

Section 12. Regular Meetings. Regular meetings of the Board of
Directors may be held at such time and place as shall be determined,
from time to time, by a majority of the Directors, but at least
two (2) such meetings shall be held during each fiscal year. Notice
of regular meetings of the Board of Directors shall be given to each
Director, personally or by mail, telephone or telegraph, at least
sixty (60) days prior to the day named for such meeting.

Section 13. Special Meetings. Special meetings of the Board of
Directors may be called by the President on three (3) days' notice
to each Director given personally or by mail, telephone or tele-
graph, which notice shall state the time, place and purpose of
the meeting. Special meetings of the Board of Directors shall be
called by the President or Secretary in like manner and on like
notice on the written request of at least one-third (1/3) of the
Directors.

Section 14. Waiver of Notice. Before or at any meeting of the
Board of Directors, any Director may, in writing, waive notice of
such meeting and such waiver shall be deemed equivalent to the
giving of such notice. Attendance by a Director at any meeting
of the Board of Directors shall be a waiver of notice by him of

time, place and purpose thereof. If all Directors are present any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 15. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 16. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 17. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer all of whom shall be elected by the Board of Directors. Prior to the lapse of all of the Class B memberships as provided in Article III of these By-Laws, the officers of the Association need not be members of the Association. Thereafter, except for the President, the officers of the Association need not be members of the Association. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at the next regular meeting of the Board of Directors called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Board of Directors and of the Board of Directors. He shall have all of the powers and duties which are usually vested in the office of a president of a corporation, including, but not limited to, the power to appoint committees from among the membership from time to time as he may, in his discretion, decide are appropriate to assist in the conduct of the affairs of the Association.

5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint another member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.

6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association, he shall have custody of the seal of the Association, he shall have charge of the membership books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform the duties incident to the office of Secretary.

7. Treasurer. The Treasurer shall have responsibility for the corporate funds and securities and shall be responsible for keeping (or causing to be kept) full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit (or causing the deposit) of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every Officer and Director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the Board of Directors of the Association) to which he may be

a party by reason of being or having been an Officer or Director of the Association whether or not such person is an officer or director at the time such expenses are incurred. The Officers and Directors of the Association shall be liable to the members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct, or breach of faith. The Officers and Directors of the Association shall have no personal liability with respect to any contract or other agreement made by them, in good faith, on behalf of the Association. The Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability incurred by them on account of any such contract or commitment. Any right of indemnification provided for therein shall not be exclusive of any other rights to which any Officer or Director of the Association or former officer or Director of the Association may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the best interests of the Association. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm or association (including any partnership) in which one or more of the Directors of his Association are either directors or officers or are pecuniarily or otherwise interested, shall be either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors 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 common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or 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 Association at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors 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 he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII

Management

Section 1. Management and Common Expenses. The Association acting through its Board of Directors, shall manage, operate and maintain the common areas and community facilities and, for the benefit of the members, shall enforce the provisions hereof and shall pay out of the common expense fund hereinafter provided the following:

(a) the cost of providing water, sewer, electricity, gas, garbage and trash collection, and/or other utility services for the common areas and community facilities; and

(b) the cost of fire and extended liability insurance for the common areas and community facilities and the cost of such other insurance as the Association may effect; and

(c) the cost of the services of a person or firm to manage the common areas and community facilities to the extent deemed advisable by the Association consistent with the provisions of the Declaration and these By-Laws, together with the services of such other personnel as the Board of Directors of the Association shall consider necessary for the operation of the common areas and community facilities; and

(d) the cost of providing recreational facilities by means of contracting therefor with others and/or leasing such facilities as are from time to time deemed necessary and appropriate.

(e) the cost of providing such legal and accounting services as may be considered necessary to the operation of the common areas and community facilities; and

(f) the cost of painting, maintaining, replacing, repairing and landscaping the common areas and community facilities and such furnishings and equipment for the common areas and community facilities and the Board of Directors shall have the exclusive right and duty to acquire the same; and

(g) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the common areas or community facilities; and

(h) the amount of all taxes and assessments levied against the Association or upon any property which it may own, or which it is otherwise required to pay, if any; and

(1) any amount necessary to discharge any lien or encumbrance levied against the common areas or community facilities, any portion thereof.

Section 2. Annual Assessments. The Association will obtain funds which to operate by assessment of its members in accordance with the provisions of the Declaration as supplemented by the provisions of these By-Laws.

Section 3. Capital Contributions. The Board of Directors may, from time to time, require each Class A member to make periodic contributions to the capital of the Association which contributions shall be treated as paid-in-surplus and shall be maintained in a segregated trust account. Such funds shall be withdrawn from trust and expended only for deferred maintenance replacement of capital assets and the extraordinary repair and maintenance of capital assets. When paid, such contributions to capital shall not be withdrawn nor applied to offset regular or special assessments, but shall be regarded as an appurtenance to the Unit owned by the member making such capital contributions and shall be regarded as transferred to the grantee of such Unit upon the conveyance thereof.

Section 4. Management Agent. The Association may contract in writing and delegate any of its ministerial duties, powers or functions to the Management Agent. Neither the Association nor the Board of Directors shall be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 5. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant, at the request of Grantor) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the common areas and community facilities as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common areas and community facilities and for the preservation of the health, safety, convenience and/or welfare of the members or the Grantor.

Section 6. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common areas or community facilities or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any member for

damage, by theft or otherwise, of articles which may be upon any of the common areas or community facilities. No reduction or abatement of assessments, as herein elsewhere or in declaration provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or assessments to the common areas or community facilities, or from action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 7. House Rules. There shall be no violation of any rules of the use of the common areas or community facilities, or other rules, which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby authorized to adopt such rules...

ARTICLE IX

Insurance

Section 1. Insurance. The Board of Directors shall obtain and maintain, to the extent reasonably available, at least the following:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement cost" exclusive of land, foundation and excavation) of the common areas and community facilities (including all building service equipment and the like) with an "agreed amount" endorsement without deduction or allowance for depreciation, (as determined annually by the Board of Directors with the assistance of the insurance company according to such coverage), such coverage to afford protection against at least the following:

- (i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement; and
- (ii) such other risks as shall customarily be covered with respect to property similar in construction, location and use, including, but not limited to, cost of demolition, vandalism, malicious mischief, windstorm, water damage, machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

(b) Public liability insurance, with a "severability of coverage" endorsement, in such amounts and in such forms as may be

dered appropriate by the Board of Directors including, but not limited to water damage, legal liability, hired automobile, owned automobile, liability for property of others, and any other liability incident to the ownership and/or use of common areas and community facilities or any portion thereof;

(c) Workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(d) A "Legal Expense Indemnity Endorsement", or "Directors and Officers" Policy affording protection for the officers and directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or director shall have been made a party by reason of his or her services as such;

(e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and liability coverage as required by Section 16 of Article V of these Laws, as are or shall hereafter be considered appropriate by the Board of Directors.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written with a company or companies licensed to do business in the State of Indiana and holding a rating of "A+" or better in Best's Insurance Guide.

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors or its authorized representative.

(c) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior notice to any and all insured named thereof.

(d) All policies shall contain a waiver of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

ARTICLE X

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first

1 year of the Association which shall begin at the date of
poration. The commencement date of the fiscal year herein
lished shall be subject to change by the Board of Directors
& corporate practice subsequently dictate.

on 2. Books and Accounts. Books and accounts of the Associa-
shall be kept under the direction of the Treasurer in accord-
with generally accepted accounting practices, consistently
led. The same shall include books with detailed accounts, in
nological order, of receipts and of the expenditures and
I transactions of the Association and its administration and
I specify the maintenance and repair expenses of the common
s and community facilities, services provided with respect
to the same and any other expenses incurred by the Association.
amount of any assessment required for payment of any capital
expenditures or reserves of the Association may be credited upon
books of the Association to the "Paid-in-Surplus" account as
capital contribution by the members. The receipts and expendi-
es of the Association shall be credited and charged to other
counts under at least the following classifications:

(a) "Current Operations", which shall involve the control
actual expenses of the Association including reasonable allow-
ces and necessary contingencies and working capital funds in
lation to the assessments and expenses hereinelsewhere provided
r; and

(b) "Capital Contributions", which shall involve the
control of capital contributions held by the Association in a
segregated trust fund for designated special purposes.

(c) "Investments", which shall involve the control over
investment of reserve funds and such other funds as may be deemed
suitable for investment on a temporary basis by the Board of
Directors; and

(d) "Betterments", which shall involve the control over
funds to be used for the purpose of defraying the cost of any
construction or reconstruction, unanticipated repair or replacement
of a described capital improvement and/or for expenditures for
additional capital improvements or personal property made or
acquired by the Association with the approval of the Board of
Directors.

Section 3. Auditing. At the close of each fiscal year, the books
and records of the Association shall be audited by an independent
Certified Public Accountant whose report shall be prepared and
certified in accordance with generally accepted auditing standards.
consistently applied. Based upon such report, the Association
shall furnish its members and any mortgagee requesting the same