

BY-LAWS
OF
ORCHARD ESTATES SECTION THREE PROPERTY
OWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of the Corporation is Orchard Estates Section Three Property Owners Association, Inc. hereinafter referred to as the "Association". The principal office of the Corporation shall be located at 8255 Bash Road, Indianapolis, Indiana 46250, but meetings of the Members and Directors may be held at such places as designated by the Board of Directors within Hendricks or Marion Counties, State of Indiana.

ARTICLE II

Definitions

Section 2.1 "Association" shall mean and refer to Orchard Estates Section Three Property Owners Association, Inc., its successors or assigns.

Section 2.2 "Properties" shall mean and refer to that certain real property described in the Declaration as being within the jurisdiction of the Association.

Section 2.3 "Common Area" shall have the same meaning as set forth in the Declaration.

Section 2.4 "Lot" shall mean and refer to any plated lot shown upon any recorded subdivision map of the Properties.

Section 2.5 "Owner" (also sometimes known as "Member") shall mean and refer to the recorded owner, whether one or more persons or entities, of the fee simple title to any

lot which is part of the Properties including contract sellers, but excluding those having such interest merely as a security for the performance of an obligation.

Section 2.6 "Declarant" shall mean and refer to National Property Development, Inc. (as specifically designated in Section I of the Declaration of Covenant, Conditions and Restrictions), its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 2.7 "Declaration" shall mean and refer to the Declaration of Covenant, Conditions and Restrictions, as recorded in the Office of the Recorder of Hendricks County, Indiana on February 1, 1994 as Instrument #2435.

Section 2.8 "Supplementary Declarations" shall mean any declaration filed supplementary to that Declaration defined in Section 2.7 above.

Section 2.9 "Member" (also sometimes known as "Owner") shall mean and refer to those persons entitled to Membership as provided in the Declaration.

ARTICLE III

Meeting of Members

Section 3.1 Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and such subsequent regular annual meetings of the Members shall be held in the same month, each year, as the first annual meeting, at a time and place to be determined by the Board of Directors. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held the same hour of the first day following which is not a legal holiday.

Section 3.2 Special Meetings. Special Meetings of the Members may be called at any time by the President or by the Board of Directors, or upon the written request of the Members who are entitled to vote one-fourth (1/4) of all the votes in the Class A Membership.

Written notice stating the date, time, and place of any meeting and, in the case of a special meeting the purpose or purposes for which the meeting is called, shall cause to be hand delivered or mailed, postage prepaid, by the Secretary of the Corporation to each Owner entitled to vote thereat, not less than thirty (30) days nor more than sixty (60) days prior to the date of such meeting. Any written notice delivered to the Owners as a separate publication as part of a newsletter or other publication regularly sent to the Owners constitutes a written notice. If an annual meeting or special meeting of the Owners is adjourned to a different date, time or place, written notice is not required to be given of the new date, time, or place so long as the new date, time, or place is announced at the meeting pursuant to the Indiana Nonprofit Corporations Act of 1991 ("Act"), before adjournment.

Section 3.4 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of Membership shall constitute a Quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such Quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcing same at the meeting, until a Quorum as aforesaid shall be present or be represented.

Section 3.5 Proxies. At all meetings of the Members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable, no proxy shall remain valid longer than for eleven (11) months from the date of its execution, unless a longer term is specified in the proxy, and such proxy shall automatically cease upon conveyance by the Member of his Lot.

Section 3.6 Conduct of Annual Meeting. The Chairman of the annual meeting shall be the President of the Corporation. The President shall call the meeting to order at the duly designated time, and business will be conducted in the following order:

- (1) Reading of Minutes;
- (2) Treasurer's Report;
- (3) Budget; (if such is applicable at the time)
- (4) Election of Board of Directors; (if such is applicable at the time)
- (5) Other Business;
- (6) Committee Reports; and,
- (7) Adjournment.

Section 3.7 Written Ballots. In lieu of any annual or special meeting of the Owners, written ballots may be utilized in the manner prescribed by the Indiana Nonprofit Corporation Act of 1991, as amended.

ARTICLE IV

Board of Directors; Selection; Term of Office

Section 4.1 Number. The affairs of this Association shall be managed by a Board of Directors consisting of three (3) Directors, who need not be Members of the Association.

Section 4.2 Term of Office. At the first annual meeting, the Members shall elect three (3) Directors for a term of one (1) year; at the next meeting thereafter, the Members shall elect three (3) Directors to serve staggered terms as follows: One (1) Director for one (1) year, one (1) Director for two (2) years, and one (1) Director for three (3) years, in order to continue continuity of service on the Board of Directors. The Board of Directors itself has the right and power to determine which Directors, shall serve one year, two years, or three years, and shall, at all future elections, designate that the Director to be elected shall serve a period of three (3) years. If the number of Directors is increased as authorized by the Articles of Incorporation, the staggered terms of Directors shall be continued and the Board shall have the full and complete authority to adjust the number of Directors to be elected each year, keeping, as near as practical, to the election of one-third (1/3) of the Board Members each year.

Section 4.3 Removal. A Director elected by the Owners, or elected by the Directors to fill a vacancy, may be removed by the applicable Owners with or without cause if the number of votes cast to remove be sufficient to elect a Director at a meeting to elect a Director. A Director may be so removed by the applicable Owners only at a meeting called for the purpose of removing the Director. The meeting notice must state that the

purpose of the meeting is for voting upon the removal of a Director. In such case, his or their successor shall be elected at the same meeting from eligible Owners nominated at the meeting, to serve for the remainder of the term or terms of the removed Director.

Section 4.4 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.5 Action Taken Without A Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent to such action is signed by all Members of the Board and such written consent is filed with the Minutes of the proceedings of the Board.

Section 4.6 Nomination and Election of Directors.

(a) Nomination. Nomination for the election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of the Chairman, who shall be a member of the Board of Directors, and two more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for elections to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies

that are to be filed. Such nominations may be made from among Members or non-members.

(b) Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

Meetings of Directors

Section 5.1 Regular Meetings. Regular meetings of the Board of Directors shall be held annually and may be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should any regular meeting fall upon a legal holiday, then said meeting shall be held at the same time on the next day, which is not a legal holiday.

Section 5.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director either by mail, in person or by telephone, however, said special meetings may be held at any time with the written consent of each Director.

Section 5.3 Quorum. A majority number of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority

of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI

Powers and Duties of the Board of Directors

Section 6.1 Powers. The Board of Directors shall have the powers to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area, facilities, the personal conduct of the Members and their guests thereon, and to establish penalties, including monetary fines as determined by the Board of Directors, for the infraction thereof;
- (b) Suspend the voting rights and right to use the recreational facilities, if any, of the Members during any period in which any member shall be in default, payment of any assessment or fine levied by the Association. Such rights may be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration, or Supplementary Declarations;
- (d) Declare, by a majority vote of the Directors, the office of a member of the Board of Directors to be vacant in the event such member shall be absent from 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.
- (f) Cause to be kept a complete record of all acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (g) Prescribe duties of and to supervise all officers, agents and employees of the Association, and to see their duties are properly performed;
- (h) As more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and,
 - (3) foreclose the lien against any Property for which assessments are not paid within thirty (30) days after due date or bring action at law against the Owner personally obligated to pay same.
- (i) Upon demand by any person, issue or cause to be issued by an appropriate officer, 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;

- (j) Procure and maintain adequate liability and hazard insurance on the property owned by the Association;
- (k) Cause all officers or employees having fiscal responsibilities to be bonded as the Board may deem appropriate;
- (l) Cause the Common Area to be maintained.

ARTICLE VII

Officers and Their Duties

Section 7.1 Enumeration of Officers. The Officers of this Association shall be a President and a Vice-President who shall at all times be Members of the Board of Directors, a Secretary and a Treasurer and such other officers as the Board may from time to time create by resolution.

Section 7.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Term. The officers of the Association shall be elected annually by the Board and shall hold office for one (1) year, or until their successor has been elected and qualified, unless he shall sooner resign or shall be removed or otherwise disqualified to serve. Any officer may serve consecutive terms without interruption.

Section 7.4 Special Appointments. The Board may elect other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

Section 7.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later dates specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6 Vacancies. The vacancy of any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one at any of the other offices except in the case of special officers created pursuant to Section 7.4 of this Article.

Section 7.8 Duties. The duties of the officers are as follows:

President: (a) the President shall reside all meetings of the Board of Directors; shall see that the Orders and Resolutions of the Board are carried out; and shall sign all Leases, Mortgages, Deeds and other written material instruments.

Vice-President: (b) the Vice-President shall act in the place and in the stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary: (c) the Secretary shall record the votes and keep the Minutes of all meetings and proceedings of the Members; keep the corporate seal, if any, of the Corporation and affix it on all papers requiring said seal; serve notice of meetings to the

Board and to the Members; keep appropriate records showing the Members of the Association together with their addresses; and to perform such other duties as required by the Board.

Treasurer: (d) the Treasurer shall be the legal custodian of all monies, notes, securities, and other valuables which may from time to time come into possession of the Association. He or she shall immediately deposit all funds of the Association coming into his or her hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name and for the exclusive benefit of the Association. The Treasurer may permit a managing agent, if any, to handle the account for monies and other assets of the Corporation to the extent appropriate as part of its duties. The Board, by resolution, may designate additional signatories for checking accounts and shall designate the number of signatures required on checks.

ARTICLE VIII

Committees

The Association shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nomination Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate to carry out its purpose.

ARTICLE IX

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of

Incorporation and the By-Laws of the Association shall be provided on a one (1) time basis to each Owner and be available for inspection by any member at the principal office of the Association or copies may be purchased at a reasonable cost. Each time a Lot is sold, the Seller shall provide to the Purchaser copies of all documents set forth in this Article.

ARTICLE X

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after due date, the assessment shall bear interest from date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring action at law against the Owner personally obligated to pay same, or foreclose a lien against the Property. Interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XI

Corporate Seal

The Association may, but is not required, have a seal circular in form having within its circumference the words "Orchard Estates Section Three Property Owners Association, Inc."

ARTICLE XII

Amendments

Section 12.1 These By-Laws may be amended, at a regular or special meeting of the Members, by a majority vote of a quorum of Members present or in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

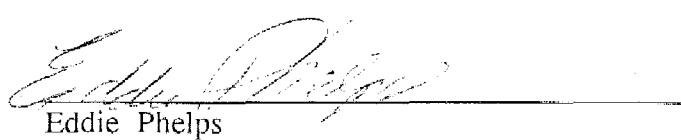
Section 12.2 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

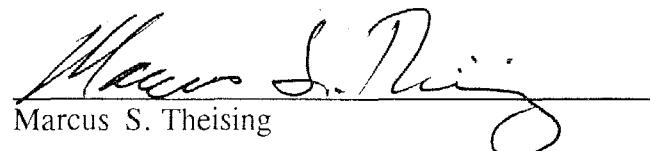
ARTICLE XIII

Miscellaneous

The fiscal year of the Association shall begin the first day of January and end the 31st day of December in every year, except that the first fiscal year shall begin on the date of incorporation and end on December 31st following.

IN WITNESS WHEREOF, we, being all the Directors of the Orchard Estates Section Three Property Owners Association, Inc. hereunto set our hands this 29th day of June, 1995.


Eddie Phelps


Marcus S. Theising



David E. Alderson
David E. Alderson

CERTIFICATION

I, the undersigned, do hereby certify: that I am the duly elected and acting Secretary of the Orchard Estates Section Three Property Owners Association, Inc. an Indiana Nonprofit Corporation, and, that the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 29th day of June, 1995.

IN WITNESS WHEREOF, I have hereunto subscribed and set my hand and affix the seal of said Association on this 29th day of June, 1995.

