

CODE OF BY-LAWS

OF

CHAPEL BEND ASSOCIATION, INC., An Indiana Not-For-Profit Corporation

ARTICLE I

IDENTIFICATION

Cross Reference: Chapel Bend, Section One, a subdivision in Marion County, Indiana, as per plat thereof recorded December 14, 1989, as Instrument No. 890124858, in the Office of the Recorder of Marion County, Indiana; and Chapel Bend, Section Two, a subdivision in Marion County, Indiana, as per plat thereof recorded December 14, 1989, as Instrument No. 890124859, in the Office of the Recorder of Marion County, Indiana.

Section 1.01. Name. The name of the Corporation is Chapel Bend Association, Inc.

Section 1.02. Principal Office And Resident Agent; Power To Change. The post office address of the principal office of the Corporation is P.O. Box 532146, Indianapolis, Indiana 46253-2146. The location of its principal office or the designation of its Resident Agent, or both, may be changed at any time, or from time to time, when authorized by the Board of Directors, by filing with the Secretary of State, on or before the day any such change is to take effect, or within five (5) days after the death of the Resident Agent or other unforeseen termination of his agency, a certificate signed by the President or a Vice President, and the Secretary or Assistant Secretary of the Corporation, and verified under oath by one of such officers signing the same, stating the change to be made and reciting that such change is made pursuant to authorization by the Board of Directors.

Section 1.03. Place Of Keeping Corporate Books And Records. The books of account, records, documents and papers of the Corporation shall be kept at its principal office.

Section 1.04. Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of January in each year, and end of the 31st day of December in each year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE II

DEFINITIONS

The following words when used in these By-Laws shall have the following meanings:

Section 2.1. "Association" shall mean and refer to the Chapel Bend Association, Inc., a not-for-profit Indiana Corporation.

Section 2.2. "Lake Property" shall mean and refer to that area described on the plat of Chapel Bend as a drainage and utility retention pond.

Section 2.3. "Lots" shall mean all lots as described on the plat of Chapel Bend.

Section 2.4. "Owner" shall mean and refer to the equitable owner, whether one or more persons or entities holding any of the Lots, whether such ownership be in fee simple title or as land contract vendee, notwithstanding any applicable theory of mortgage, and shall not mean or refer to the mortgagee except in cases where the mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 2.5. "Declarant" shall mean and refer to Ivy Homes, Inc., an Indiana corporation, authorized to do business in the State of Indiana, 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 2.6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Recorder of Marion County, Indiana.

Section 2.7. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles Of Incorporation and Declaration.

Section 2.8. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Chapel Bend Association, Inc.

ARTICLE III

MEETING OF MEMBERS

Section 3.1. Annual Meetings. *The first annual meeting of the members shall be held within one year from the date of incorporation of the Association and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of seven o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.*

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

Section 3.3. Notice Of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of the Secretary or person authorized at the meeting; by mailing a copy of

such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote, addressed to owners of all lots in Chapel Bend as may be determined from time to time in the office of the Assessor of Marion County, Indiana.

Section 3.4. Quorum. The presence of the meeting of members entitled to cast, or of proxies entitled to cast, sixty percent (60%) of the votes 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 power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 3.5. Proxies. At all meetings of 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 and shall automatically cease upon conveyance by the member of his *Lake Frontage Lot*.

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 three (3) Directors, who must be a member in good standing of the Association.

Section 4.2. Term Of Office. *At the first annual meeting the members shall elect three (3) Directors after accepting the resignation of the initial Board of Directors as provided for in the Articles of Incorporation, which three (3) Directors shall consist of one (1) Director to serve a one (1) year term, one (1) Director to serve a two (2) year term, and one (1) Director to serve a three (3) year term, and at each annual meeting thereafter the members shall elect Directors for terms of three (3) years.*

Section 4.3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 5.1. Nomination. Nomination for 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 a Chairman, who shall be a member of the Board of Directors, and two or 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 election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only.

Section 5.2. 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 VI

MEETINGS OF DIRECTORS

Section 6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held twice yearly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by two (2) Directors, after not less than three (3) days notice to each Director.

Section 6.3. Quorum. A majority of the number of 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 VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1. Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Lake Property 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 of the Lake Property of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also 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 this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- (e) Employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 7.2. Duties: It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its 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 voting members.
- (b) Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.
- (c) 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 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.
 - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay same.
- (d) Issue, or to 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.

- (e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 8.1. Enumeration Of Offices. The officers of this Association shall be a President and 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 by resolution create.

Section 8.2. 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 8.3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4. Special Appointments. The Board may elect such 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, from time to time, determine.

Section 8.5. Resignation And Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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 time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6. Vacancies. A vacancy in 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 8.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8.8. Duties. The duties of the officers are as follows:

President

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all necessary contracts and documents to effectuate the Association's purpose.

Vice President

- (b) The Vice President shall act in the place and 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 Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

BOOKS AND RECORDS

The books and records and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any member. The Declaration, Articles of Incorporation and By-Laws of the Association shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost.

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 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 the date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney 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 Lake Property.

ARTICLE XI
AMENDMENTS

Section 11.1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority or a quorum of members present in person or by proxy.

Section 11.2. 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.

IN WITNESS WHEREOF, we, being all of the Directors of the Chapel Bend Association, Inc., have hereunto set our hands this _____ day of _____, 2003.

Gordon Rhodes

P.O. Box 532146
Indianapolis, Indiana 46253-2146

Bobby LaBoon

P.O. Box 532146
Indianapolis, Indiana 46253-2146

Gregg Humerickhouse

P.O. Box 532146
Indianapolis, Indiana 46253-2146

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Chapel Bend Association, Inc., an Indiana 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 _____ of _____, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this _____ day of _____, 2003.

Teresa J. O'Mara, Secretary