

CODE OF BY-LAWS
OF
CHARTER POINTE
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

Identification

Section 1. Name. The name of the Association is the Charter Pointe Homeowners' Association, Inc. (hereinafter referred to as the "Association").

Section 2. Principal Office and Resident Agent. The post-office address of the principal office of the Association is 1030 Merchants Plaza, East Tower, Indianapolis, Indiana 46204; and the name and post-office address of its Resident Agent in charge of such office is John W. Van Buskirk, 1030 Merchants Plaza, East Tower, Indianapolis, Indiana 46204.

Section 3. Fiscal Year. The fiscal year of the Association shall begin at the beginning of the first day of January in each year and end at the close of the last day of December next succeeding.

ARTICLE II

Association Members

Section 1. Membership. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 2. Place of Meeting. All meetings of the members of the Association shall be held in Marion County, Indiana, or at such other reasonable place as may be determined by the Board of Directors and specified in the notices or waivers of notice thereof or proxies to represent members at such meetings.

Section 3. Annual Meetings. The initial meeting of the voting Members shall be held upon ten (10) days' written notice given by Declarant. Such written notice may be given at any time after at least two (2) Lots have been purchased by Owners, but must be given not later than December 31, 1987. The formation of the Association by Declarant shall not require Declarant to call the initial meeting of the voting Members any

earlier than provided in the preceding sentence. Thereafter, there shall be an annual meeting of the voting members on the first Tuesday of October following such initial meeting, and on the first Tuesday of October of each succeeding year thereafter at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the voting Members not less than ten (10) days prior to the date fixed for said meeting.

Section 4. Special Meetings. Special meetings of the members may be called at any time for the purpose of considering matters which require the approval of all or some of the voting Members, or for any other reasonable purpose. Any such Special Meeting shall be called by written notice, authorized by a majority of the Board, or by the voting Members having one-fourth (1/4) of the total votes, and delivered not less than ten (10) days prior to the date fixed for such meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of a meeting and, in case of a special meeting, the purpose or purposes for which such meeting is called shall be delivered or mailed by the Secretary of the Association to each member of record of the Association entitled to vote at the meeting, at such address as appears on the records of the Association, at least ten (10) days before the date of the meeting. Notice of any meeting of the members may be waived in writing by any Member if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 6. Voting at Meetings.

(a) Voting Rights. There shall be one person with respect to each Lot who shall be entitled to vote at any meeting of the Members. Such person shall be known as a "Voting Member". Such Voting Member may be the Owner or one of the group composed of all the Owners of a Lot, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Any or all of such Voting Members may be present at any meeting of the Voting Members and may vote or take any action as a Voting Member, either in person or by proxy. Declarant (or its nominee) may exercise the voting rights with respect to any Lot owned by it.

(b) Proxies. A Voting Member is entitled to vote either in person or by proxy, executed in writing by such Voting Member or by his or her duly authorized attorney-in-fact and delivered to

the Secretary of the meeting. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the scheduled time of the meeting. In any meeting of the Voting Members called for the purpose of electing Members of the Board of Directors of the Association each Voting Member shall be permitted to cast the number of votes to which he is entitled, as hereinabove set forth, for each Member of the Board of Directors of the Association to be elected at such meeting.

(c) Quorum and Adjournments. The presence in person or by proxy of the Voting Members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meetings. Any meeting of the Voting Members, including both annual and special meetings and any adjournments thereof, may be adjourned to a later date without notice other than announcement at the meeting, even though less than a quorum is present.

Section 7. List of Voting Members. At least five (5) days before each meeting of Voting Members, the Secretary shall prepare or cause to be prepared a complete list of the Voting Members of the Association entitled to vote at such meeting arranged in alphabetical order with the address and number of votes entitled to be cast by each. Such list shall be on file in the office of the Association and shall be subject to inspection by any record Voting Member. The original or duplicate membership register shall be the only evidence as to the persons who are entitled as Voting Members to examine such lists, or to vote at such meeting.

Section 8. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Voting Members may be taken without a meeting, if prior to such action, a written consent thereto, setting forth the action so taken, is signed by all the Voting Members entitled to vote with respect to the subject matter thereof, and such written consent is filed with the minutes of the proceedings of the Voting Members. Such consent shall have the same effect as a unanimous vote of the Voting Members.

ARTICLE III

Board of Directors

Section 1. Number, Term of Office and Qualifications. The Board of Directors shall consist of three (3) persons. The terms of at least one-third (1/3) of the members of the Board

shall expire annually. Directors shall serve without compensation unless such compensation is approved by the Voting Members holding a majority of the total votes. The Board shall be elected by the Voting Members at their annual meeting and shall hold office until the next ensuing annual meeting of the Voting Members or until their successors have been duly elected and qualified. If a member of the Board of Directors shall cease to meet any qualification herein required for a member of the Board, such member shall thereupon cease to be a member of the Board and his place on the Board shall be deemed vacant. The Voting Members may remove any member of the Board with or without cause, and elect a successor at a meeting of the Voting Members called expressly for such purpose.

Section 2. Vacancies. Vacancies occurring in the membership of the Board of Directors caused by resignation, death or other incapacity, or increase in the number of members of the Board shall be filled by a majority vote of the remaining members of the Board, and each member so elected shall serve until the next meeting of the Voting Members, or until his successor shall have been duly elected and qualified. Notice specifying any increase in the number of members of the Board and the name, address and principal occupation of and other pertinent information about any member elected to fill any vacancy shall be given in the next mailing sent to the Voting Members after such increase or election.

Section 3. Annual Meetings. The Board of Directors shall meet annually, without notice, immediately following and at the same place as, the annual meeting of the Voting Members.

Section 4. Regular Meetings. Regular meetings shall be held at such times and places, either within or without the State of Indiana, as may be determined by the President or Board of Directors.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by the President or by two (2) or more members of the Board, at any place within or without the State of Indiana, upon twenty-four (24) hours' notice specifying the time, place and general purposes of the meeting, given to each personally, by telephone or telegraph; or notice may be given by mail if mailed at least three (3) days before such meeting.

Section 6. Waiver of Notice. Any member of the Board of Directors may waive notice of any meeting in writing. Attendance by a member at any meeting shall constitute a waiver of notice of such meeting.

Section 7. Quorum. A majority of the entire Board of Directors then qualified and acting shall constitute a quorum and be sufficient for the transaction of any business, except

for filling of vacancies in the Board of Directors which shall require action by a majority of the remaining members of the Board. Any act of the majority of the members of the Board present at a meeting at which a quorum shall be present shall be the act of the Board unless otherwise provided for by law or by these By-Laws. A majority of the Members present may adjourn any meeting from time to time. Notice of an adjourned meeting need not be given other than by announcement at the time of adjournment.

Section 8. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if prior to such action, a written consent thereto is signed by all the members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board.

ARTICLE IV

Officers

Section 1. Number of Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such officers or assistant officers as the Board shall from time to time create and so elect. Any two (2) or more offices may be held by the same person, except that the duties of the President and the Secretary shall not be performed by the same person. The President shall be chosen from among the Members of the Board. Officers shall serve without compensation unless such compensation is approved by the Voting Members holding a majority of the total votes.

Section 2. Election and Terms. Each officer shall be elected by the Board of Directors at the annual meeting thereof and shall hold office until the next annual meeting of the Board or until his successor shall have been elected and qualified or until his death, resignation or removal. Any officer may be removed at any time, with or without cause, by vote of a majority of the whole Board, but such removal shall be without prejudice to the contract rights, if any, of the person so removed; provided, however, that election of an officer shall not of itself create contract rights.

Section 3. Vacancies. Whenever any vacancy shall occur in any office by death, resignation, increase in the number of officers of the Association, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office until the next annual meeting of the Board or until his or her successor is duly elected or appointed.

Section 4. President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the Voting Members and of the Board of Directors; shall have general and active supervision, control and management of the affairs and business of the Association, subject to the orders and resolutions of the Board; shall have general supervision and direction of all officers, agents and employees of the Association; shall see that all orders and resolutions of the Board are carried into effect; and in general shall exercise all powers and perform all duties incident to such office and such other powers and duties as may from time to time be assigned to him by the Board.

The President shall have full authority to execute proxies in behalf of the Association, to execute, with the Secretary, powers of attorney appointing other associations, corporations, partnerships, or individuals the agent of the Association, all subject to the provisions of the Declaration and this Code of By-Laws.

Section 5. Secretary. The Secretary shall attend all meetings of the Board and of the Voting Members and shall act as Secretary at such meetings; shall give or cause to be given all notices provided for in these By-Laws or required by law; shall record all votes and the minutes of all proceedings of the meetings of the Voting Members and the Board in a book or books to be kept for that purpose and wherein resolutions shall be recorded; shall be custodian of the records of the Association; and, in general, shall exercise all powers and perform all duties as may be from time to time assigned to him or her by the Board or by the President.

Section 6. Treasurer. The Treasurer shall keep correct and complete financial records and books of account showing accurately at all times the financial condition of the Association; shall be the custodian of the Association Funds; shall immediately deposit, in the name and to the credit of the Association all monies and other valuable effects of the Association in such depositories as may be designated by the Board of Directors; shall disburse the funds of the Association as may be ordered by the Board or by the President; and in general shall exercise all powers, perform all duties customarily incident to such office and such other powers and duties as may from time to time be assigned to him by the Board or by the President.

ARTICLE V

Books and Records

Section 1. Books and Records, in General. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures effecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner, and such amount shall be binding upon the Board and the Association, and any mortgagee or grantee of such Owner furnished with such statement shall not be liable for, and the Lot of such Owner shall not be conveyed subject to a lien for, any unpaid assessment in excess of the amount set forth in such statement. Any mortgagee of any Lot who wishes to participate in any decision or consent in which it is entitled to participate by reason of the Declaration or these By-Laws shall provide the Secretary of the Board with its name and address and the Lot on which it holds a mortgage so that it may be notified of any such pending decision or consent and participate therein. Failure to so notify the Board shall constitute waiver by any such mortgagee of the right to participate in such decision or consent.

ARTICLE VI

Administration

Section 1. Board of Directors; Association. The direction and administration of the Property shall be vested in the Board of Directors ("Board"). The Owners, as described in the Declaration and in these By-Laws, shall elect the Board. Notwithstanding any other provisions herein contained to the contrary, all duties, functions and obligations herein imposed upon the Board are so imposed with the express understanding that the Board is the governing body and agent of the Owners and the Association.

Section 2. Determination of Board to be Binding. Notwithstanding that the words "Board" and "Association" may in some instances be used interchangeably in various sections of these By-Laws or the Declaration, matters of dispute or agreement between Owners relating to Charter Pointe or with

respect to interpretation or application of the provisions of the Declaration or these By-Laws, shall be determined by the Board, which determination shall be final and binding on the Association and on all Owners.

Section 3. General Powers of the Board. The Board shall have the following general powers and duties:

(a) To elect the officers of the Association as hereinabove provided;

(b) To administer the affairs of the Association and Charter Pointe;

(c) To engage the services of a manager or managing agent who shall manage the Common Areas thereof for all of the Owners, upon such terms and for such compensation and with such authority as the Board may approve (subject to Section 6 of this Article);

(d) To formulate policies for the administration, management and operation of the Common Areas thereof;

(e) To adopt administrative rules and regulations governing the administration, management, operation and use of the Common Areas and to amend such rules and regulations from time to time;

(f) To provide for the maintenance, repair and replacement of the Common Areas and payments therefor, and to approve payment vouchers or to delegate such approval to the officers of the manager or managing agent;

(g) To provide for the designation, hiring and removal of employees and other personnel, including accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Areas and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be employees of the managing agent);

(h) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses, as hereinafter provided; and

(i) To comply with the instructions of a majority of the Owners, as expressed in a resolution duly adopted at any Annual or Special Meeting of the Owners.

Section 4. Specific Powers of the Board. The Board, for the benefit of the Board, the Association and all Owners, shall provide and shall pay for out of the maintenance fund hereinafter provided, the following:

(a) Casualty Insurance. Insurance against loss or damage by fire and those perils contained in extended coverage, vandalism and malicious mischief endorsements and such other hazards as the Board may deem desirable for the Common Areas. Premiums for such insurance, if any, shall be common expenses;

(b) Liability Insurance. Comprehensive public liability insurance, including liability for injuries to and death of persons and property damage, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring each Owner, the Association, its officers and members of the Board from liability in connection with the Common Areas and insuring the officers of the Association and members of the Board from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be Common Expenses;

(c) Workmen's Compensation. Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

(d) Wages and Fees for Services. The services of any person or firm employed by the Board, including, without limitation the services of any person or persons required for maintenance or operation of the Common Areas, and legal and/or accounting services, and for the organization, operation and enforcement of the rights of the Association; and

(e) Care of Common Areas and Facilities. Landscaping, maintenance, repair and replacement of the Common Areas as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire or provide the same for the Common Areas.

Section 5. Vouchers. All vouchers for payment of expenditures by the Board shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of

the Board. In the absence of such determination by the Board, such vouchers shall be signed by the Treasurer and countersigned by the President of the Board.

Section 6. Rules and Regulations; Management.

(a) Rules. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Common Areas, and for the health, comfort, safety and general welfare of the Owners and occupants of the property. Written notice of such rules and regulations shall be given to all Owners.

(b) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

ARTICLE VII

Assessments - Maintenance Fund

Section 1. Preparation of Estimated Budget. Each year on or before December 1, the Board shall estimate the total amount necessary to pay the cost of insurance, maintenance and repairs for the Common Areas which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements. The estimate and reasonable itemization shall be furnished to any Owner upon request. Said "estimated cash requirement" shall be assessed to the Owners on a per lot basis. On or before January 30 of the ensuing year, notice of such assessment shall be sent to each Owner and the assessments shall be payable on an annual or monthly basis, as determined by the Board. The Board, in its discretion, may provide for a discount for early payments or a penalty for late payments. On or before the date of the Annual Meeting of each calendar year, the Board shall supply to all Owners an itemized accounting of the common expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves.

Section 2. Reserve for Contingencies and Replacements. The Board may maintain a reasonable reserve for contingencies and replacements. If said "Estimated Cash Requirement" proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may, at any time, levy a further assessment to cover such contingency. The Board shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor.

Section 3. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Owners shall continue to pay the assessment at the then existing rate established for the previous period until such new assessment estimate shall have been mailed or delivered.

Section 4. Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein and shall be deemed to be held for the benefit, use and account of all the Owners.

Section 5. Remedies for Failure to Pay Assessments. Each Owner shall be personally liable for all assessments made hereunder or pursuant to the Declaration and conveyance of a Lot by an Owner shall not extinguish the personal debt for all such assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall default in the payment of any charge or assessment imposed by the Board as herein provided, the Board shall have the authority, for and on behalf of itself and the Association and as the representative of all Owners, to exercise and enforce any and all rights and remedies as may be provided in the Act, these By-Laws, the Declaration or otherwise available at law or in equity for the collection of all such unpaid charges or assessments. Upon the failure of any Owner to pay any delinquent assessment within fifteen (15) days after written notice, the Board shall have the right to accelerate the entire unpaid balance of all assessments.

ARTICLE VIII .

Execution of Instruments

Section 1. Checks, Drafts, Etc. All checks, drafts, bills of exchange or other orders for the payment of money, obligations, notes or other evidences of indebtedness of the Association shall be signed or endorsed by such officer or officers, employee or employees of the Association as shall from time to time be designated by the Board.

Section 2. Contracts. All contracts, agreements, deeds, conveyances, mortgages and similar instruments authorized by the Board of Directors shall be signed, unless otherwise directed by the Board or required by law, by the President and attested by the Secretary.

ARTICLE IX

Amendments

Section 1. Amendments. Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration, these By-Laws may be amended in the manner set forth in the Articles of Incorporation of the Association.