

BY-LAWS
OF
PINE BLUFF OVERLOOK PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Name, Principal Office and Definitions

Section 1.1. Name. The name of the Association shall be Pine Bluff Overlook Property Owners Association, Inc. (hereinafter sometimes referred to as the “Association”).

Section 1.2. Principal Office. The principal office of the Association in the State of Indiana shall be located at such place in Hamilton County, Indiana, as the Board of Directors of the Association shall determine from time to time.

Section 1.3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants and Restrictions for Pine Bluff Overlook as recorded in the records of the Recorder of Hamilton County, Indiana, (said Declarations for the various sections of Pine Bluff Overlook, as amended, renewed, or extended from time to time, are collectively referred to herein as the “Declaration”), unless the context shall prohibit.

ARTICLE II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 2.1. Membership. The Association shall have two (2) classes of membership, Class A and Class B, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Development or as convenient thereto as possible.

Section 2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held following the termination of the Class B membership pursuant to the Declaration. At the first such meeting the initial Board of Directors shall be elected. Subsequent regular annual meetings shall be set by the Board so as to occur at least thirty (30) days but not more than ninety (90) days before the close of the Association’s fiscal year on a date and at a time set by the Board of Directors.

Section 2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least twenty-five percent (25%) of the total Class A votes of the Association. The notice of any special meeting shall state the date, time, and place of such

meeting and the purpose thereof and shall meet all requirements for notice in the Declarations. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 2.6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than ten (10) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Section 2.7. Voting. The voting rights of the Members shall be set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. A proposition submitted for a vote hereunder shall be approved if the number of votes cast for such proposition are equal to or greater than the required minimum percentages set forth in the Declaration or these By-Laws, and if no minimum percentage is set forth for such proposal, then a majority vote shall be necessary for approval.

Section 2.8. Proxies. Members may vote by proxy but only upon a written proxy in a form prescribed by the Board.

Section 2.9. Majority. As used in these By-Laws, the term “majority” shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

Section 2.10. Quorum. Except as otherwise provided in these By-Laws or in Section 14D of the Declaration, the presence in person or by proxy of the Members representing one-third (1/3) of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 2.11. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

ARTICLE III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. The Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director.

Section 3.2. Number of Directors. The number of Directors in the Association shall initially be five (5). The number of Directors may be increased by the board to a number no more than nine (9) by a resolution of the board approved by at least three-fourths (3/4) of the Directors present at a meeting held at least thirty (30) days prior to the next annual meeting of the Members. The Directors shall be elected in accordance with Section 3.4 below.

Section 3.3. Nomination of Directors. Except with respect to Directors elected at the initial organizational meeting of the Association, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors and two (2) or more Members of the Association. The Nominating Committee members shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed, 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 in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor at the annual meeting where such Directors are elected. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. Nominations of the Directors elected at the initial organizational meeting of the Association shall be open and permitted from the floor.

Section 3.4. Election and Term of Office. Notwithstanding any other provision contained herein:

- (a) Following the termination of the Class A membership, the Incorporator of the Association shall call a special meeting at which five (5) Directors shall be elected by the vote of all Members. Three (3) Directors shall be elected for a term of two (2) years and two (2) Directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years. If the number of Directors is increased pursuant to Section 3.2 above, the Board shall establish the terms of such Directors.
- (b) Each Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled on the Board. There shall be no cumulative voting. The Directors elected by the Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 3.5. Removal of Directors and Vacancies. Any Director elected by the Members may be removed, with or without cause, by the majority vote of the Members. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall then and there be elected by the Members to fill the vacancy for the remainder of the term of such Director.

Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board, and it may appoint a successor. Any Director appointed by the Board shall serve for the remainder of the term of such vacating Director.

B. Meetings.

Section 3.6. Organizational Meeting. The first meeting of the Board of Directors shall be held within ten (10) days after the initial meeting of the Association at such time and place as shall be fixed by the Board.

Section 3.7. 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 four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3.8. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three (3) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods:

- a) by personal delivery;
- b) written notice by first class mail, postage prepaid;
- c) by telephone communication, either directly or to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or
- d) by telefax transmission.

All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least six (6) days before the time set for the meeting. Notices given by personal delivery, telephone, or telefax transmission shall be delivered, or telephoned, at least seventy-two (72) hours before the time set for the meeting.

Section 3.9. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting.

Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 3.10. Quorum and Voting of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and unless otherwise provided in these By-Laws or the Declaration, the vote of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meetings, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.11. Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by a majority of the total Class A vote of the Association at a regular or special meeting of the Association; provided any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

Section 3.12. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 3.13. Open Meetings. Subject to the provisions of Section 3.14 of this Article, all meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature, including but not limited to such matters as pending or threatened litigation or personnel matters.

Section 3.14. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 3.15. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association' affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, by way of explanation, but not limitation:

- (a) preparation and adoption, in accordance with the Declaration, of annual budgets in which there shall be established the contribution by each Owner to the Common Expenses and any other expenses provided for in the Declaration;
- (b) making assessments to defray the Common Expenses and other expenses, establishing the means and methods of collecting such assessments, and establishing the due date of the annual assessment;
- (c) providing for the operation, care, upkeep, and maintenance of all of the Common Areas;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;
- (f) making and amending rules and regulations;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the common areas in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Members;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;
- (m) making available to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Lot and all other books, records, and financial statements of the Association; and
- (n) permitting utility suppliers to use portions of the common areas reasonably necessary to the ongoing development or operation of the Property.

Section 3.16. Management. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f),

(g), and (i) of Section 3.15 of this Article. Any such management agreement shall be subject to the provisions of Section 13D of the Declaration.

Section 3.17. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, or restoration of the common areas without the approval of the Members of the Association except as provided in the Declaration. Notwithstanding the foregoing or anything to the contrary contained in the Declaration, these By-Laws, or the Articles of Incorporation, during the Class B Control Period, no mortgage lien shall be placed on any portion of the common areas without the affirmative vote or written consent, or any combination thereof, of Members representing at least a majority of the Members.

Section 3.18. Enforcement. The Board of Directors shall have the power to enforce the provisions of the Declaration and these By-Laws, or any rules and regulations duly adopted thereunder, in accordance with the powers and responsibilities provided by the Declaration and pursuant to law.

ARTICLE IV

Officers

Section 4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) offices may be held by the same person.

Section 4.2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.3. Removal. An officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Vice President shall perform the duties of the President when the President is unable to perform such duties. The Secretary shall have the care and custody of the corporate records, shall attend all meeting of the Board and Members and shall keep, or cause to be kept in a book provided for such purposes, a true and complete record of the proceedings of such meetings when required. He shall also attend to the giving and serving of all notices of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the

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 4.6. Agreements, Contracts, Deeds, Leases, Checks. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V

Committees

Section 5.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 5.2. Architectural Review Committee. There shall be an Architectural Review Committee, which shall be operated in accordance with Section 11 of the Declaration.

ARTICLE VI

Miscellaneous

Section 6.1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Indiana law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 6.3. Conflicts. If there are conflicts between the provisions of Indiana law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Indiana law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 6.4. Books and Records.

- (a) **Inspection by Members and Mortgagees.** The Declaration, By-Laws, Articles of Incorporation, and any amendments to the foregoing, the rules and regulations of the Association, the membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Lot, Member of the Association, or by the duly appointed representative of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Lot at the office of the Association or at such other place within the Property as the Board shall prescribe.
- (b) **Rules for Inspection.** The Board shall establish reasonable rules with respect to:
 - (i) notice to be given to the custodian of the records;

- (ii) hours and days of the week when such an inspection may be made; and
 - (iii) payment of the cost of reproducing copies of documents requested.
- (c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 6.5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class, postage prepaid:

- (a) if to a Member, at the address which the Member or Member has designated in writing and filed with the Secretary or, if no such address has been substituted, at the address of the Lot of such Member, or
- (b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as may be designated by notice in writing to the Members pursuant to this Section.

Section 6.6. Amendment. Except to the extent the approval of any proposed amendment is reserved to the Members pursuant to the Declaration or the By-Laws, these By-Laws may be amended by the approval of a vote of at least three-fourths (3/4) of the Directors present at a meeting of the Directors called for such purpose.