

BY-LAWS
OF
HIDDEN LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

(17)

ARTICLE I
IDENTIFICATION AND APPLICABILITY

Section 1.01. Identification and Adoption. These By-Laws are adopted to govern the administration of the Hidden Lake Estates Homeowners Association, Inc. created to govern the use of common areas, and partly to govern the use of lots, in a residential subdivision located in Marion County, Indiana, known as Hidden Lake Estates. The Developer ("Developer") and owner of the subdivision is R & F Development, Inc., an Indiana corporation.

The Articles of Incorporation of the Association are incorporated herein by reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The provisions of these By-Laws shall apply to the administration and conduct of the affairs of the Association.

Section 1.02. Individual Application. All of the Lot Owners, future owners, mortgagees, tenants, future tenants, or their guests and invitees, and any other person who may use or occupy a Lot or any common areas in the subdivision, shall be subject to the terms and conditions of all documents affecting such Lot and the common areas, as well as by the Articles of Incorporation of the Association, these By-Laws, and any Rules and Regulations adopted by the Association.

Section 1.03. Effect Of Becoming An Owner. The owner ("Owner") of any lot in Hidden Lake Estates, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Developer or a subsequent Owner of such lot, shall accept such deed and execute such contract subject to the provisions contained in these By-Laws. By acceptance of such deed or execution of such contract the Owner acknowledges the rights and powers of Developer with respect to these By-Laws, and also, for themselves, their heirs, personal representatives, successors and assigns, such Owner covenants and agrees and consents to and with Developer and to and with the Owner and subsequent Owners of each of the lots affected by these By-Laws to keep, observe, comply with the terms and conditions of these By-Laws.

ARTICLE II
MEETING OF ASSOCIATION

Section 2.01. Meetings. At least annually and at such other times as may be necessary, a meeting of the Lot Owners shall be held for the purpose of electing the Board of Directors, approving the Annual Budget, and for such other purposes as may be appropriate or required.

Section 2.02. Annual Meetings. The Annual Meeting of the Lot Owners shall be held on the first Tuesday on or after February 1st in each calendar year or as soon thereafter as is practicable. The Board of Directors may change the date for the Annual Meeting, but it shall give written notice to Owners of any change in the date of the Annual Meeting. At the Annual Meeting the Lot Owners shall elect the Board of Directors of the Association in accordance with the provisions of these By-Laws, shall consider the Annual Budget, and shall transact such other business as may properly come before the meeting.

SECTION 2.03. Special Meetings. A Special Meeting of the Lot Owners may be called by the President, by request of two (2) Directors, or upon a written request of not less than fifteen percent (15%) of the Lot Owners. The request shall be presented to the President or Secretary of the Association and shall state the purposes for which the meeting is to be called and such purposes shall be stated in the notice thereof which is sent to the Lot Owners. No business shall be transacted at a Special Meeting except as stated in the notice of the meeting, unless all the Lot Owners are present.

Section 2.04. Notice and Place of Meetings. Any meetings of the Lot Owners may be held at any suitable place, as may be designated by the Board of Directors. 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 be delivered or mailed by the Secretary of the Association to each Owner. The notice shall be mailed or delivered to the Lot Owners at their address as it appears upon the records of the Association, to the Developer at 1111 W. Main St., Ste. K, Greenfield, Indiana, 46140 and to any Mortgagee who requests the same in writing at its address as appears on the records of the Association. Attendance at any meeting by a Lot Owner or their authorized representative, in person or by proxy, shall constitute waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. To facilitate the orderly conduct of the meeting, each Lot Owner other than the Developer shall be a Class A member of the Association, and shall be entitled to cast one (1) vote on each matter coming before the meeting. The Developer shall be the sole Class B member and shall be entitled to four (4) votes for each Lot owned subject to the terms and conditions of the By-Laws. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- ii) At election of Developer.

(b) Multiple Owner. Where the Owner of a Lot constitutes more than one (1) person, or is a partnership, there shall be only one (1) voting representative entitled to cast the vote

allocable to that Lot.

(c) Voting by Corporation or Trust. Where a corporation or trust is a Lot Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of a corporation who is duly empowered to vote shall cast any votes to which the corporation is entitled.

(d) PROXY. A Lot Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Lot Owner shall duly designate his attorney-in-fact in writing, and such written designation shall be delivered to the Association prior to or at the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in these By-Laws, one-third (1/3) of the Lot Owners shall constitute a quorum at all meetings.

(f) Conduct of Annual Meeting. The President of the Association shall serve as Chairman of the Annual Meeting and in his absence the Vice President shall serve. The Chairman shall call the Annual Meeting to order at the duly designated time and business will be conducted normally in the following manner:

i) Reading of the Minutes. The Secretary shall read the minutes of the last Annual Meeting and the minutes of any Special Meeting held subsequent thereto, but such reading may be waived upon motion.

ii) Treasurer's Report. The Treasurer shall report to the Lot Owners concerning the financial condition of the Association, and answer relevant questions of the Lot Owners concerning the Common Expenses and financial report for the prior year and the proposed Annual Budget for the current year.

iii) Budget. The proposed Annual Budget for the current fiscal year shall be presented to the Lot Owners for approval or amendment. If the Lot Owners do not approve the Annual Assessments for the current fiscal year at the time they approve the Annual Budget, then the Board of Directors shall set the Annual Assessments for the year at such amount as will raise the funds required to comply with the Annual Budget, including reserve requirements.

iv) Election of Board of Directors. Nominations for the Board of Directors may be made by any Lot Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least three (3) days prior to the date of the Annual Meeting. Voting for the Board of Directors will be by paper ballot unless a majority

of the Lot Owners present waive voting by paper ballot and approve another form of voting. The ballot shall contain the name of each person nominated to serve as a Board member. Each Lot Owner other than Developer may cast one (1) vote for as many nominees as are to be elected. No Lot Owner other than Developer may cast more than one (1) vote for any nominee. Those persons receiving the highest number of votes shall be elected.

v) Other Business. Other business may be brought before the meeting only if accepted and ruled in order by the Chairman of the Meeting, or which is pursuant to written request submitted to the Secretary of the Association at least three (3) days prior to the date of the meeting.

vi) Adjournment.

ARTICLE III BOARD OF DIRECTORS

Section 3.01. Number and Duties. The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called the "Board" or "Directors" and individually called "Director"). The Board of Directors shall be composed of three (3) persons. No person shall be eligible to serve as a Director unless he is a Lot Owner or unless he is appointed by the Developer. Also, any Lot Owner who is thirty (30) days or more in arrears in his Annual or Special Assessments, will not be eligible to serve or to continue to serve as a Director.

Section 3.02. Initial Board of Directors. The initial Board of Directors shall be as provided in the Articles of the Incorporation of the Association, all of who shall be appointed by Developer. Notwithstanding any other provisions in the By-Laws, the initial Board of Directors shall hold office until the first Annual Meeting of the Lot Owners which shall be held on the first Monday on or after February 1st in each year.

Section 3.03. Additional Qualification. Where an owner consists of more than one (1) person or is a partnership, corporation, trust or other legal entity, then one (1) of the persons constituting the multiple Lot Owner, or an office or trustee, shall be eligible to serve on the Board of Directors. No Lot Owner other than the Developer may be represented on the Board of Directors by more than one (1) person at a time.

Section 3.04. Term of Office and Vacancy. The Board of Directors shall be elected at each annual meeting of the Association. At the first annual meeting of the Board, one (1) Director shall be elected for one (1) year, one (1) Director for two (2) years and one (1) Director for three (3) years. At each subsequent annual meeting one (1) Director shall be elected for a term of three (3) years (since the term of one of the Directors will be expiring), and any other

vacancies in the Board of Directors shall be filled by electing a Director to serve for the remainder of the term of the Director who did not serve for his whole term of office.

Any vacancy or vacancies occurring in the Board of Directors shall be filled until the annual meeting of the members by a vote of a majority of the remaining Directors or by vote of the Lot Owners if a Director is removed in accordance with Section 3.05 of this Article III.

Section 3.05. Removal of Director. A Director or Directors, except the initial Directors, may be removed with or without cause by majority vote of the Lot Owners at a meeting duly called and constituted. In such case, a successor Director shall be elected at the same meeting from eligible Lot Owners. A Director so elected shall serve until the next Annual Meeting of the Lot Owners or until his successor is duly elected and qualified. An initial Director may be removed and replaced at the discretion of the Developer.

Section 3.06. Duties of the Board of Directors. The Board of Directors shall provide for the management, administration, operation, maintenance, repair, upkeep and replacement of the Common Areas in Hidden Lake Estates, including but not limited to the entrances, nature park, walking trails, and the collection and disbursement of the common expenses. These duties include, but are not limited to:

- (a) management, maintenance, repair and replacements of the sidewalks and common areas;
- (b) procuring of utilities used in connection with the common facilities, removal of garbage and waste, and snow removal from the common areas, and if the Board of Directors deems prudent from public streets in the subdivision;
- (c) landscaping, painting, decorating, and furnishing of the common areas;
- (d) assessment and collection from the Owners of their pro rata share of the common expenses;
- (e) preparation of annual budget;
- (f) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each owner as soon as possible after the end of each fiscal year;
- (g) keeping a current, accurate and detailed record of receipts and expenditures affecting the property, specifying and itemizing the common expenses. All records and vouchers shall be available for examination by an owner upon reasonable notice during normal business hours; and
- (h) to procure fire and extended coverage insurance covering any improvements on or to

the common areas to the full replacement value thereof and to procure public liability and property damage insurance and workmen's compensation insurance, if necessary, for the benefit of the Lot Owners and the Association.

Section 3.07. Powers of the Board of Directors. The Board of Directors shall have all powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to:

- (a) to employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;
- (b) to purchase for the benefit of the Association such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors;
- (c) to employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Association;
- (d) to include the costs of all of the above and foregoing as a common expense;
- (e) to open and maintain one (1) or more bank accounts in the name of the Association;
- (f) to determine rules and procedures for hiring and firing of personnel necessary for the maintenance, repair and replacement of common areas and for approving the payment of vouchers, invoices and the like;
- (g) to adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation, and enjoyment of the common areas and facilities;
- (h) to grant easements and other rights over the common areas;
- (i) to impose non-discriminatory fines upon any Lot Owner or Lot Owners if they, or any members of their family, guests, or invitees, shall violate any rules or regulations adopted by the Association and such fine shall be collectible by the Association in the same manner as payment of the annual assessment is collectible, and shall be secured by a lien on the Owner's Lot and subject to late charges and interest to the same extent as a late payment of the annual assessment; and
- (j) to do such other acts and things as are in the best interest of a majority of Lot Owners and which are not contrary to law.

Section 3.08. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than

\$2,500.00 without obtaining the prior approval of the Lot Owners at a meeting thereof, except in the following cases:

- (a) contracts for replacing or restoring portions of the common areas damaged or destroyed by fire or other casualty;
- (b) proposed contracts and proposed expenditures expressly set forth as provided for in the annual budget as approved by the Lot Owners at the annual meeting, which shall include but not be limited to the compensation of the managing agent, ongoing contracts of all kinds, maintenance contracts, contracts for improvements which have been approved by the Lot Owners and contributions to reserve accounts.

Items within the budget need not be approved separately. The Board may also reallocate items in the budget, if the total budget will not be increased.

Section 3.09. Compensation. No Director shall receive any compensation for his services unless a majority of the Lot Owners shall approve paying such compensation. Each Director shall be reimbursed for his reasonable costs and expenses incurred for the benefit of the Association.

Section 3.10. Meetings. Regular meeting of the Board of Directors may be held at such time and place as shall be determined from time to time by the President. The Secretary shall give notice of the regular meetings of the Board to each Director personally or mailed by United States Mail at least three (3) days prior to the date of such meeting.

Special meetings of the Board of Directors may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail and at least three (3) days prior to the date of such special meeting, give notice to the Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called.

Section 3.11. Waiver of Notice. Any Director may, in writing, waive notice of a meeting and such waiver shall be deemed equivalent to the receipt of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at the meeting of the Board, or if those not present shall waive notice of the meeting or shall consent to the actions taken at the meeting, notice shall not be required and any business may be transacted at such meeting.

Section 3.12. Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.13. Non-Liability of Directors. The Directors shall not be liable to the Lot

Owners or any other persons for any error or mistake in judgment exercised in carrying out their duties and responsibilities as Director, except for their own individual willful misconduct, bad faith or gross negligence. The Association may indemnify and hold harmless each of the Directors against any and all liabilities to any person, firm or corporation arising out of contracts made by the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of law. The Association shall, if reasonably available, carry liability insurance for the Board of Directors. The cost of such insurance shall be included as part of the common expenses. It is intended that the Directors shall have no personal liability with respect to any contract made by them in good faith on behalf of the Association. The Lot Owners shall be subject to special assessment for sums necessary for the Association to pay the aforesaid indemnity in favor of the Directors. Every contract made by the Board or the Managing Agent on behalf of the Association shall be in the name of the Association.

Section 3.14. Additional Indemnity of Directors and Officers. The Association may indemnify any person, his heirs, assigns and personal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director or an officer of the Association, against the reasonable expenses, including attorneys fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal thereon, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence or willful misconduct in the performance of his duties. The Association may also reimburse to any such Director or Officer of the Association the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Lot Owners that such Director or Officer was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit, or proceeding against a Director or an Officer, no Director or Officer shall be considered or deemed to be guilty of or liable for negligence or willful misconduct in the performance of his duties where, acting in good faith, such Director or Officer relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent or any Officer or employee thereof, or any Accountant, Attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof nor shall a Director or Officer be deemed guilty of or liable for negligence or willful misconduct solely by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 3.15. Books and Records. The Board of Directors shall itself, or through the Managing Agent, make available to Lot Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Covenants in the recorded subdivision plats, these By-Laws, any rules and regulations concerning Hidden Lake Estates, and the books records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

ARTICLE IV
OFFICERS

Section 4.01. Officers of the Association. The principal Officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board. Any two (2) or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors at the initial meeting of each new Board. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors and shall be the Chief Executive Officer of the Association. He shall preside as Chairman at all meetings of the Association and of the Board, shall have and discharge all of the general powers and duties usually vested in the office of President or Chief Executive Officer of an Association or a Stock Corporation organized under the laws of Indiana, including, but not limited to the power to appoint committees from the Lot Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

Section 4.04. The Vice-President. A Vice-President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. In the absence of the President the Vice-President shall preside at all meetings of the Lot Owners and of the Board of Directors. The Vice-President shall also perform such other duties as these By-Laws may prescribe or as shall from time to time be delegated to him by the Board or by the President.

Section 4.05. The Secretary. The Secretary need not be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meeting, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association of the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 4.06. The Treasurer. The Board shall elect a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of the Treasurer. He shall be the Legal Custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Association. He shall immediately deposit all funds of the

Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Association. The Treasurer need not be a Lot Owner.

Section 4.07. Additional Officers. The Board of Directors may, from time to time, designate and elect additional Officers, including but not limited to Vice-Presidents and an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as are set forth herein for such offices. The Assistant Secretary and Assistant Treasurer shall have such powers and duties as the Officer whom they are elected to assist shall delegate to them, and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

Section 4.08. Delegation to Management Agent. The duties of the Secretary and/or Treasurer may be delegated to a Managing Agent if one is then serving.

ARTICLE V ACCOUNTING, BUDGETS, AND ASSESSMENTS

Section 5.01. Annual Accounting. Annually, as soon as practicable after the close of each fiscal year, the Board shall cause to be prepared and furnished to each Lot Owner a financial statement prepared by an independent Public Accountant, which statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year. The Association shall furnish such financial statement for the preceding fiscal year free of charge to any holder, insurer or guarantor of a first mortgage who shall so request in writing.

Section 5.02. Proposed Budget. Annually, on or before the date of the Annual Meeting of the Association, the Board of Directors shall cause to be prepared a proposed Annual Budget for the ensuing or current fiscal year estimating the total amount of the common expenses for such fiscal year. The Board of Directors shall furnish a copy of such proposed Annual Budget to each Lot Owner prior to or at the Annual Meeting of the Association for adoption, and, if so adopted, shall be the basis for the Annual Assessment for the following fiscal year. At the Annual Meeting of the Lot Owners, the Budget may be approved in whole or in part or may be amended in whole or in part, by a majority vote of those persons voting in person or by proxy provided, however, that the Board of Directors may adopt a tentative Annual Budget for each year until an Annual Budget is approved by the Lot Owners.

Section 5.03. Annual and Special Assessments. Common expenses shall be assessed to the Lot Owners, either as an Annual Assessment, or as a Special Assessment, equally with respect to each Lot which is subject to assessment, all as set forth below:

- (a) An annual assessment shall be made for each fiscal year of the Association for all anticipated ongoing operating expenses of the Association, including reserves. The annual assessment shall be paid in an installment which shall be due and payable in advance on the 1st day of March. The amount of the aggregate annual assessments shall be equal to the total

amount of expenses provided for in the Annual Budget, including reserve items.

(b) Special Assessments may be made for any unusual and/or extraordinary items, including capital expenditures, and any unanticipated items. Special Assessments shall be payable in such amounts and at such times as may be provided in the resolution or other formal proposal setting forth the terms of such Special Assessments.

(c) The annual assessment and all special assessments, together with interest, late charges, costs and reasonable attorney's fees, shall be a continuing lien on the lot upon which each such assessment is made as each installment thereof becomes payable. Each such assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time of the assessment was payable.

Section 5.04. Fiscal Year. The Fiscal Year of the Association shall commence on January 1st and end on December 31st, but the Board of Directors may change such Fiscal Year. If the fiscal year is so changed, the annual assessment for the prior fiscal year shall continue to be assessed during any short fiscal year, unless the Board of Directors shall submit an interim or modified Budget and annual assessment for such period to the Lot Owners.

Section 5.05. Limitation on Assessments. During the Fiscal Years ending on or prior to December 31, 1999, the Maximum Annual Assessment shall be per lot per year payable in advance in one (1) installment of One Hundred Fifty Dollars (\$150.00) on the first day of the month of March of each year. The Assessment shall be prorated for part of a quarter where applicable. So long as the Developer owns any lot in Hidden Lake Estates but not longer than two (2) years from the date hereof, there shall not be any increases in the annual assessment nor shall there be any Special Assessments without Developer's prior approval. For the purpose of this section any lot re-acquired by the Developer after it has been sold shall be deemed not to be owned by the Developer.

So long as the Developer is developing the property in the Subdivision, the Annual Assessment shall not be increased more than a cumulative average of eight percent (8%) per year unless such larger increase is approved by a majority vote at a meeting duly held after the Lot Owners have been notified that such meeting would consider the Annual Budget for the following year and that an increase averaging more than eight percent (8%) per year may be necessary. Such maximum percentage increase shall be computed by compounding the Annual Assessment for the fiscal year ending December 31, 1998, at the rate of eight percent (8%) per year until the then current fiscal year.

Section 5.06. Vote for Special Assessments. No Special Assessment shall be adopted unless voted by sixty-six and two thirds percent (66-2/3%) of the votes of the Association at a meeting called for this purpose. However, Special Assessments required because of an insufficiency of insurance shall not be subject to any vote by the Lot Owners.

Section 5.07. Notice of Meeting for Assessments. Written notice of any meeting other than the Annual Meeting which is called for the purpose of approving the Annual Budget and Annual Assessment or a Special Assessment, shall be given or sent to all members and such notice shall state that the Annual Budget and/or a Special Assessment will be considered at such meeting.

Section 5.08. Commencement of Assessments. The Annual Assessments provided for herein shall be made for each fiscal year of the Association, and shall be payable in semi-annual installments as provided above. The Annual Assessment shall be set for each fiscal year of the Association. If the Annual Assessment has not been set by the first day of the fiscal year, then the payments due on the Annual Assessment shall be based upon a Tentative Annual Budget set by the Board of Directors, and if none is set then the Assessments shall be based on the prior year's Assessments until the Annual Budget and Annual Assessment for such fiscal year is approved. The first payment of the Annual Assessment payable after the Annual Budget is approved shall be adjusted to compensate for any prior payments which were too high or too low. If more than one (1) lot is conveyed or rented with a home, then each Lot, or part Lot, shall be subject to the Annual Assessment. A part Lot shall be subject to a pro rata share of such assessment. The Annual Assessment for the fiscal year in which occurs the conveyance of the first Lot to a Lot Owner other than a builder shall be established by the Developer. No Lot shall be liable for payment of the Annual Assessment until after a home on the lot is substantially completed and is then conveyed by the builder of the home to a purchaser, or when the home is rented. At the time of the first conveyance of a home, the purchaser shall pay a prorated assessment for the balance of the quarter in which the Lot is conveyed. The Purchaser of each Lot shall be responsible to notify the Association of his acquisition of the Lot and to give to the Association his name and address for mailing purposes and satisfactory evidence of his ownership.

Section 5.09. Delinquent Assessment. Any payment of an Assessment which is not paid within fourteen (14) days of the date due shall automatically be subject to a late charge of Twenty-five Dollars (\$25.00). Late charges may continue to be assessed for each quarter a payment remains outstanding. The Board of Directors shall have the right to change the amount of the late charge, the time period before such charge is imposed, and to make other provisions for late charges and/or for imposing interest on late payments. The Association may bring an action of law against the Lot Owner personally obligated to pay the same; it may foreclose its lien against the Owner's Lot; or it may assert both rights and/or any other remedy available to it in law or in equity.

Section 5.10. Lien of Assessments. All sums assessed by the Association, but unpaid, including installments of the Annual Assessment and Special Assessments, and any fines duly imposed by the Association, together with late charges, interest, attorney's fees and the costs of collection thereof, shall constitute a lien on the Owner's Lot prior to all other liens, except only:

(a) Tax liens on the lot in favor of any assessing unit or special district; and

(b) All sums unpaid on a first mortgage of record.

The sale or transfer of any Lot by foreclosure or by deed in lieu of foreclosure (but not any other transfer), shall extinguish the Assessment lien for payments which become due prior to the sale of such sale or transfer, but shall not extinguish the personal liability of the Lot Owner for such assessments. No such sale or transfer shall relieve the Lot Owner from liability for any assessments thereafter becoming due or from the lien thereof. The lien for sums assessed may be foreclosed by a suit by the Association or the managing Agent on its behalf in like manner as a mortgage of such property. In any such foreclosure the Lot Owner shall be required to pay a reasonable rental for the use and occupancy of the Lot. The Association, upon the affirmative vote of ninety percent (90%) of all the Lot Owners (so authorizing and setting up a special assessment to pay for the same), shall have the power to bid on the Lot at any foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

Section 5.11 Liability of Grantee. In a voluntary conveyance of a Lot other than a deed in lieu of a foreclosure, the grantee of the Lot shall be jointly and severally liable the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses or for special assessments up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. Upon the request of any Lot Owner, Purchaser or Mortgagee, the Secretary or other authorized Officer of the Association or the Managing Agent shall provide within seven (7) days of the request, against a particular Lot. The Association may charge a reasonable charge for such statement if permitted by law and it may require the Lot Owner to confirm that the person requesting the statement is a Mortgagee or purchaser of or from the Lot Owner. Once having been furnished with such a statement, such person (other than the delinquent Lot Owner) shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth, plus costs of collection of such sums, if applicable.

ARTICLE VI ARCHITECTURAL CONTROL COMMITTEE

Section 6.01. Creation. There shall be, and hereby is, created and established an Architectural Control Committee to perform the functions provided for herein. The Committee shall initially be the Developer, R & F Development, Inc. After completion of the development, a committee of three (3) homeowners designated by the Developer shall serve for one (1) year and continuing thereafter until their successors are elected by a majority of the Board of Directors of the Association.

Section 6.02. Purposes and Powers of Committee. The Committee shall regulate the external design, appearance, location of residences, buildings, structures, fences, or other

improvements placed on any Lot or in the common area in such a manner as to preserve and enhance the value and desirability of the real estate for the benefit of each owner and to maintain a harmonious relationship among structures and the natural vegetation and topography.

- a) In general. No residence, building, fence, wall, structure, or improvement of any type or kind shall be constructed or placed on any Lot or within the common area without the prior written approval of the Committee. Such approval shall be obtained only after written application has been made to the Committee by the owner of the Lot requesting authorization from the Committee. Such written application shall be in the manner and form prescribed from time to time by the Committee and, in the case of construction or placement of any improvement, shall be accompanied by two (2) complete sets of plans and specifications for any such proposed construction or improvement. Such plans shall include plot plan showing the location of all improvements proposed to be constructed or placed upon the Lot, each properly and clearly designated. Such plans and specifications shall set forth the composition of all exterior materials proposed to be used together with any other material or information which the Committee may require. All plans and drawings submitted to the Committee shall be drawn to a scale of 1 inch equals 10 feet; or ¼ inch or 1/8 inch equals one foot; or to such other scale as the Committee may require. When required by the Committee, plot plans shall be prepared by either a Registered Land Surveyor, Engineer or Architect. Plot plans submitted for the improvement location permit shall bear the stamp or signature of the Committee acknowledging the approval thereof.

- b) Power of Disapproval. The Committee may refuse to grant permission to construct, place or make the requested improvement, when:

- i) The plans, specifications, drawings or other material submitted are inadequate or incomplete, or show the proposed improvement to be in violation of any restrictions in this Declaration or any subdivision plat of the real estate recorded in the Office of the Recorder of Hancock County, Indiana;
- ii) The design of a proposed improvement is not in harmony with the general surroundings of the Lot or with adjacent buildings or structures; or
- iii) The proposed improvements, or any part thereof, would, in the opinion of the Committee, be contrary to the interests, welfare or rights of any other owner.

c) Rules and Regulations. The Committee may, from time to time, make, amend and modify additional rules and regulations as it may deem necessary or desirable to guide owners as to the requirements of the Committee for the submission and approval of items to it. Such rules and regulations may set forth additional requirements to those set forth in these By-Laws and the subdivision plat of the real estate recorded in the Office of the Recorder of Marion County, Indiana, as long as the same are not inconsistent with said documents. Initial rules and regulations are attached hereto as "Exhibit A".

Section 6.03. Duties of Committee. The Committee shall approve or disapprove proposed repainting, construction or improvements within fifteen (15) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons for such disapproval.

Section 6.04. Liability of Committee. Neither the Committee, Developer, and the Association nor any agent of any of the foregoing shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

Section 6.05. Inspection. The Committee may inspect work being performed to assure compliance with this Declaration and the materials submitted to it pursuant to this Article VI.

Section 6.06. Nonapplication to Developer. Notwithstanding the provisions of this Article VI or any other provision of the Covenants of the subdivision plat, requiring the approval of the Committee, the Developer, or any entity related to Developer, shall not be required to apply for or secure the approval of the Committee in connection with any construction or installation by Developer, or any entity related to Developer, of any residence, building, structure, or other improvement on the real estate or the installation or removal of any trees, shrubs or other landscaping on the real estate.

ARTICLE VII AMENDMENT TO BY-LAWS

Section 7.01. These By-Laws may be amended by a vote of not less than sixty-six and two-thirds percent (66-2/3%) of the Lot Owners voting in person or by proxy at a duly constituted meeting called for such purpose, or at an Annual Meeting.

ARTICLE VIII
NOTICES AND NEWSLETTERS

Section 8.01. Notice to Mortgages. Any Lot Owner who places a first mortgage lien upon his lot may notify the Secretary or the Association or the Managing Agent and provide the name and address of the Mortgagee, or the Mortgagee may do so, with a statement as to whether notices are to be sent to the Mortgagee. A record of such Mortgagee and its name and address shall be maintained by the Secretary or the managing Agent and any notice required to be given to the Mortgagee pursuant to the terms of these By-Laws shall be deemed effectively given if mailed to such Mortgagee at the address shown is such record at the time provided, or as to which the Association is later notified in writing. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary or the Managing Agent, either by the owner or the Mortgagee, no notice to the Mortgagee as may otherwise be required by these By-Laws shall be required.

Section 8.02. Notice to Lot Owners. Each Lot Owner shall have the duty to notify the Association of his address for notice purposes and all notices duly mailed or delivered to that address shall be proper notice hereunder. The Association shall have no duty to send notice to any Lot Owner, to any other address or to whom the Association has no address.

Section 8.03. Newsletters. In the event the Association elects to publish a newsletter or any other type of written publication, a copy of same shall be sent to the Developer at the address stated in Section 2.04 hereof or to any other address requested by Developer.

ARTICLE IX
DEFINITIONS

Section 9.01. All terms used herein shall have the same meaning as defined in the Covenants in the Subdivision Plat filed as Instrument No. ~~99-203,074~~ in the office of the Recorder of Marion County, Indiana. A "Director" as used herein is any member of the Board of Directors, and the term "Board" refers to the Board of Directors. The term "Annual Budget" shall mean the Budget adopted, or in context proposed for adoption, pursuant to Article V of these By-Laws. The masculine pronoun shall be construed to include and/or mean the feminine and neuter gender as the case may be and the singular shall where applicable include the plural. The term "Member" means a Lot Owner in his capacity as a member of the Association, and sometimes the term Lot Owner is used to describe such person in his capacity as a member of the Association. The term "Developer" means R & F Development, Inc. and its successors and assigns who succeed as the Developer of Hidden Lake Estates or any part thereof but shall not include persons who merely build homes on any of the Lots. The term "Subdivision" means the Hidden Lake Estates Subdivision, all sections whenever platted.

BOARD OF DIRECTORS OF HIDDEN LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

Steven R. Reilly
Steven R. Reilly, PRESIDENT

John F. Forcum
John F. Forcum, SECRETARY/TREAS.

George R. Reilly
George R. Reilly, VICE-PRESIDENT

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STATE OF INDIANA)
)
COUNTY OF HANCOCK)

Before me the undersigned, a Notary Public in and for said County and State, personally appeared Steven R. Reilly, John F. Forcum and George R. Reilly, Directors, Hidden Lake Homeowners Association who acknowledged the execution of the foregoing By-Laws of Hidden Lake Estates Homeowners Association.

1999.
WITNESS MY HAND and Notarial Seal this 5th day of February,

Teresa S. Spegal
Teresa S. Spegal, Notary Public



Resident of Hancock County.

My commission expires January 2, 2008.

FORWARDED BY: RONALD R. KURTZKE, PRACTICE MANAGER, GARY, INDIANA

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CROSS REFERENCE

Hidden Lake Estates, Plat, Section 1, Instrument # 1999-30074
Hidden Lake Estates, Plat, Section 2, Instrument # 2001-6112
Hidden Lake Estates, Plat, Section 3, Instrument # 2001-191412
Hidden Lake Estates Homeowners Association, Inc., Bylaws, Instrument #1999-30169

**FIRST
AMENDMENT**
to the
CODE OF BY-LAWS
for
HIDDEN LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

COMES NOW the Hidden Lake Estates Homeowners Association, Inc., by its Board of Directors, on this 3 day of November, 2005, and states as follows:

WITNESSETH THAT:

WHEREAS, the residential community in Indianapolis, Marion County, Indiana commonly known as Hidden Lake Estates was established upon the recording of certain Plats with the Office of the Recorder for Marion County, Indiana; and

WHEREAS, the Plat for Hidden Lake Estates, Section I, was filed with the Office of the Marion County Recorder on February 5, 1999, as Instrument # 1999-30074; and

WHEREAS, the Plat for Hidden Lake Estates, Section II, was filed with the Office of the Marion County Recorder on January 11, 2001, as Instrument #2001-6112; and

WHEREAS, the Plat for Hidden Lake Estates, Section III, was filed with the Office of the Marion County Recorder on October 26, 2001, as Instrument #2001-191412; and

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Inst # 2005-0201066

WHEREAS, the foregoing Plats contain Covenants that run with the land and which state that by taking a deed to any Lot as set forth on any of the above listed Plats for the Hidden Lake Estates development, each owner will become a mandatory member of the Hidden Lake Estates Homeowners Association, Inc., an Indiana nonprofit corporation (hereinafter "Association"); and

WHEREAS, the Association was incorporated pursuant to the above listed Plat Covenants as a non-profit corporation pursuant to Articles of Incorporation filed with, and approved by, the Indiana Secretary of State on February 10, 1999; and

WHEREAS, the Association's Board of Directors adopted a Code of Bylaws for the Association and the homeowners within the various Sections of Hidden Lake Estates, said Bylaws being dated February 5, 1999, and recorded on February 5, 1999, as Instrument #1999-0030169, in the Office of the Recorder of Marion County, Indiana; and

WHEREAS, the Articles of Incorporation, Article X, Section 3, states that the power to make, alter, amend or repeal the Bylaws of the corporation, without the assent or vote of the of the members, shall be vested in the Board of Directors of the Corporation; and

WHEREAS, the Code of Bylaws, Article VII, Section 7.01, states that amendments to the Bylaws may only be made with the approval of not less than sixty-six and two-thirds percent (66 2/3 %) of the Lot Owners voting in person or by proxy at a duly constituted meeting called for such purpose, a requirement that is inconsistent with the Articles of Incorporation that established the corporation Hidden Lake Estates Homeowners Association, Inc.; and

WHEREAS, pursuant to Indiana Code 23-17-3-8(b) and the Articles of Incorporation, Article II, Section 3(c), any Bylaws adopted by the Corporation or the Board of Directors shall be not be inconsistent with, or contradictory to, the Articles of Incorporation and/or Indiana law; and

WHEREAS, pursuant to the Articles of Incorporation, Article II, Section 3(c); Article X, Section 3; and the Indiana Code 23-17-3-8(b), the Board of Directors desires to make the following amendment to Article VII, Section 7.01, of the current Bylaws so that it reads and is consistent with Article X, Section 3, of the Articles of Incorporation and the requirements as set forth therein; and

WHEREAS, in addition to the above amendment to the Bylaws, the Board further desires to make an amendment to Article II, Section 2.02, of the current Bylaws pursuant to its authority as set forth in the paragraphs above; and

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article II, Section 2.03, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article II, Section 2.05(e), of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article II, Section 2.05(f)(iv), of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article III, Section 3.01, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article III, Section 3.04, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article V, Section 5.03(a), of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article V, Section 5.08, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article V, Section 5.09, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article VI, Section 6.01, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article VI, Section 6.02(b)(i), of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article VI, Section 6.02(c), of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article VI, Section 6.03, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to make an amendment to Article VI, Section 6.04, of the current Bylaws pursuant to its authority as set forth in the paragraphs above;

WHEREAS, in addition to the above amendments to the Bylaws, the Board further desires to amend the Bylaws by adding a new provision to Article VI, hereby designated as Article VI, Section 6.07, pursuant to its authority as set forth in the paragraphs above;

WHEREFORE, the following First Amendment to the Code of Bylaws for Hidden Lake Estates Homeowners Association, Inc. is hereby approved and adopted by the undersigned Board of Directors of the Hidden Lake Estates Homeowners Association, Inc. All current Bylaw provisions not effected by these amendments are deemed and desired to remain in full force and effect.

Article II, Section 2.02 is hereby amended to read as follows:

ARTICLE II

Section 2.02 Annual Meeting: The annual meeting of the Members shall be held in the month of October of each year, or in any other month as determined by the Board, so long as the annual meeting is held within 6 months of the close of the fiscal year or within 15 months of the previous annual meeting, whichever is earlier. The specific date, time and place of the annual meeting is to be determined by the Board of Directors. At each annual meeting, the Members shall elect the Board of Directors of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Article II, Section 2.03 is hereby amended to read as follows:

ARTICLE II

Section 2.03 Special Meetings: A Special Meeting of the Lot Owners may be called by the President, by request of two (2) Directors, or upon written request of not less than ten percent (10%) of the Lot Owners. The request shall be presented to the President or Secretary of the Association and shall state the purposes for which the meeting is to be called and such purposes shall be stated in the notice thereof which is sent to the Lot Owners. No business shall be transacted at a Special Meeting except as stated in the notice of the meeting, unless all the Lot Owners are present.

Article II, Section 2.05(e) is hereby amended to read as follows:

ARTICLE II

Section 2.05(e) Quorum: At any meeting of the membership, unless otherwise set forth in the Declaration of Covenants, the presence of members, in person or by proxy, entitled to cast ten percent (10%) of the total number of valid and eligible Owner votes shall constitute a quorum. A simple majority of those voting shall constitute an action passed.

Article II, Section 2.05(f)(iv) is hereby amended to read as follows:

ARTICLE II

Section 2.05(f)(iv) Election of Board of Directors: Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations may be made in writing and presented to the Secretary of the Association prior to the date of the Annual Meeting; or, nominations may be accepted from the floor at the annual meeting prior to voting on any open Directorship position. Voting on each position for the Board of Directors shall be by paper ballot containing the signature and address of the Owner casting said ballot, unless written balloting is waived by proper motion and a majority approval of those Owners in attendance at the Annual Meeting. Each Owner may cast the total number of votes to which he is entitled to

cast for as many nominees as are to be elected; however, under no circumstances shall cumulative voting be allowed. Those persons receiving the highest number of votes shall be elected. If the elected Directorship positions carry differing terms, then the longest termed position shall be filled by the highest vote recipient, and each additional position shall be filled from the next highest vote recipient to the lowest vote recipient.

Article III, Section 3.01 is hereby amended to read as follows:

ARTICLE III

Section 3.01 Number and Duties: The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called the "Board" or "Directors" and individually called "Director"). The Board of Directors shall be composed of three (3) persons. No person shall be eligible to serve as a Director unless he is a Lot Owner. Also, any Lot Owner who is thirty (30) days or more in arrears in paying his annual or special assessments or is not in compliance with any covenant or commitment affecting the properties within the Hidden Lake Estates development will not be eligible to serve or continue to serve as a Director.

Article III, Section 3.04 is hereby amended to read as follows:

ARTICLE III

Section 3.04 Term of Office and Vacancy: The Board of Directors shall be elected at each annual meeting of the Association. At each annual meeting, Each Director shall be elected to a term of one (1) year or until his successor shall have been duly elected and qualified. Any vacancy or vacancies occurring on the Board of Directors caused by a death, resignation or otherwise, shall be filled until the next annual meeting of the members by a majority vote of the remaining members of the Board or by a vote of the Lot Owners if a Director is removed in accordance with Section 3.05 of this Article III.

Article V, Section 5.03(a) is hereby amended to read as follows:

ARTICLE V

Section 5.03 Annual and Special Assessments:

(a) An Annual Assessment shall be made for each fiscal year of the Association for all anticipated ongoing operating expenses of the Association, including reserves. Each Owner shall pay the Annual Assessment in a single installment, unless otherwise approved by the Board, said Annual Assessment being due and payable in advance on the 1st day of January, or on a date or in a manner as set forth by the Board of Directors. The amount of the aggregate Annual Assessments shall be equal to the total amount of expenses provided for in the Annual Budget, including reserve items.

Article V, Section 5.08 is hereby amended to read as follows:

ARTICLE V

Section 5.08 Commencement of Assessments: The amount and due date of the Annual Assessment provided for herein shall be set by the Board of Directors and made by each Owner for each fiscal year of the Association. If the amount or due date of the Annual Assessment has not been set by the first day of the fiscal year, then the payments due on the Annual Assessment shall be based upon a Tentative Annual Budget set by the Board of Directors, and if none is set then the assessments shall be based on the prior year's assessments until the Annual Budget and Annual Assessment for such fiscal year is approved. The first payment of the Annual Assessment payable after the Annual Budget is approved shall be adjusted to compensate for any prior payments which were too high or too low. Each Lot shall be subject to the Annual Assessment. No Lot Owner shall be liable for payment of the Annual Assessment until a home on the Lot is substantially completed. At the time of the first conveyance of a home from the builder/developer to the first Purchaser, the Purchaser shall pay a pro-rated assessment for the balance of the year in which the Lot is conveyed. For the purpose of this section, the term "substantially completed" means habitable, as determined by the local municipality or state entities responsible for such determination.

The Purchaser of each Lot shall be responsible to notify the Association of his acquisition of the Lot and to give to the Association his name and address for mailing purposes and satisfactory evidence of his ownership, if required. The Purchaser shall also be responsible for notifying the Association of any change in his correct mailing address should the Purchaser's mailing address change subsequent to his purchase of the home or his last notification to the Association.

Article V, Section 5.09 is hereby amended to read as follows:

ARTICLE V

Section 5.09 Delinquent Assessments: Any payment of an assessment which is not paid within fourteen (14) days of the date due shall automatically be subject to a minimum reasonable late charge of Twenty-five Dollars (\$25.00). The Board of Directors shall have the right to change the amount of the reasonable late charge, the time period before such charge is imposed, the frequency of the charge (i.e. daily, bi-weekly, monthly, etc.), and to make any other provision regarding late charges and/or for imposing interest on late payments it deems necessary or prudent. The Association may, at its option, bring suit to recover a money judgment for any unpaid assessments without foreclosing or waiving the lien securing the same. The Association also has the right to foreclose its lien against the Owner's Lot; or it may assert both rights and/or any other remedy available to it in law or equity. In any action to recover an unpaid Annual or Special Assessment, whether by money judgment, foreclosure, or otherwise, the Association shall be entitled to recover from the Owner of the respective residence or Lot its costs and expenses of such action, including but not limited to reasonable attorney fees, and interest from the date such assessment became due until paid.

Article VI, Section 6.01 is hereby amended to read as follows:

ARTICLE VI

Section 6.01 Creation: There shall be, and hereby is, created and established a sub-committee of the Board of Directors of the Association called the Architectural Control Committee to perform the functions provided for herein. After the Applicable date, a committee of three (3) homeowners appointed by the Board shall serve at the Board's discretion. The Board may choose, in its sole discretion, to fulfill the role and/or duties of the Architectural Control Committee in addition to its regular Board duties and functions. The Board has the authority, in its sole discretion, to remove any member of the Architectural Control Committee with or without cause and replace that member with another resident member or a member of the Board of Directors.

Article VI, Section 6.02(b)(i) is hereby amended to read as follows:

ARTICLE VI

Section 6.02 Purposes and Powers of Committee:

(b) Power of Disapproval.

- (i) The plans, specifications, drawings, or other material submitted are inadequate or incomplete, or show the proposed improvement to be in violation of any restrictions in this Declaration or any subdivision plat of the real estate recorded in the Office of the Recorder of Marion County, Indiana;

Article VI, Section 6.02(c) is hereby amended to read as follows:

ARTICLE VI

Section 6.02 Purposes and Powers of Committee:

- (c) **Rules and Regulations.** The Committee may, from time to time, make, amend and modify additional rules and regulations as it may deem necessary or desirable to guide Owners as to the requirements of the Committee for the submission and approval of items to it. Such Rules and Regulations may set forth additional requirements to those set forth in these Bylaws and the subdivision plat of the real estate recorded in the Office of the Recorder of Marion County, Indiana, as long as the same are not inconsistent with said documents.
 - (i) To adopt a new rule, regulation or guideline, or an amendment to an existing rule, regulation or guideline, pursuant to this section, the Committee must approve the rule, regulation or guideline by

a unanimous vote. The rule, regulation or guideline must then be approved by a majority of the Board. If members of the Board of the Association comprise the total membership of the Committee, then any new rule, regulation or guideline, or amendment thereto, must be approved by a unanimous vote of the Board.

(ii) A rule, regulation or guideline adopted by the Committee shall not become valid until it is recorded in the Office of the Marion County Recorder. A copy of the recorded rule, regulation or guideline must be mailed to each Owner in Hidden Lake Estates via first class US Mail. No rule, regulation or guideline may be made retroactive in regard to any act, improvement, or construction that occurred prior to the date the rule, regulation or guideline is recorded.

(iii) A rule, regulation or guideline adopted by the Committee may be amended or repealed by the membership at a special meeting of the membership called pursuant to Article II, Section 2.03 of these Bylaws. At the special meeting, the rule, regulation or guideline may be amended or repealed by an affirmative vote of 67% of those Owners in attendance, in person or by proxy, at the special meeting where quorum is present.

(iv) Any rule, regulation or guideline adopted pursuant to this Bylaw has the same force and effect as any provision in the Declaration of Covenants, plat, or other Hidden Lake Estates governing document.

(v) Any act, improvement or construction that occurred prior to the date a rule, regulation or guideline is recorded shall not serve as a waiver, acquiescence, or other defense to any act, improvement, construction or other violation of a rule, regulation or guideline after it is properly recorded or to the enforcement of the rule, regulation or guideline.

(vi) The Committee or Board shall have the right to enforce any rule, regulation or guideline adopted pursuant to this Bylaw by injunction, together with the right to cause the removal, by due process of law, any structure, improvement or modification to any of the Lots within Hidden Lake Estates erected without the approval of the Committee or in contravention of any rule, regulation or guideline adopted by the Committee. The cost of enforcement of any rule, regulation or guideline, including any reasonable attorney fees and other expenses incurred by the Committee or Board, shall be charged to the Owner in violation of the rule, regulation or guideline, and shall be collectible in the same manner as any assessments set forth in the Bylaws.

Article VI, Section 6.03 is hereby amended to read as follows:

ARTICLE VI

Section 6.03 Duties of Committee: The Committee shall approve or disapprove in writing any proposed repainting, construction or improvements within thirty (30) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons for such disapproval. If the Committee fails to issue a written ruling of its decision on any architectural request within thirty (30) days, then the request is automatically deemed denied. The Owner can re-submit the request to the Committee or file a written appeal to the Board, if applicable, pursuant to Section 6.07. Under no circumstance does any member of the Board or Committee have the authority to grant or approve any architectural request verbally or without the proper written approval of the Board or Committee.

Article VI, Section 6.04 is hereby amended to read as follows:

ARTICLE VI

Section 6.04 Liability of Committee and Association: The Committee, Developer, and/or the Association, or any agent of any of the foregoing, shall not be responsible in any way for any defects in the plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto. If the Committee approves an architectural request, and that request is later reviewed by the Board pursuant to Section 6.07 and it is determined that the Committee's approval was granted in violation of the covenants, rules or regulations of the Hidden Lake Estates subdivision, or for any other reason was granted in error, then within seven (7) days of the Board's review determination that the Committee's approval was granted in error the Association shall notify in writing the Owner who submitted the architectural request that the Board is withdrawing the Committee's prior approval of the architectural request or plan. If the Owner has begun or completed the project prior to the Board notifying the Owner of their decision to withdraw the Committee's approval of the plan, then the Owner shall be entitled to reimbursement from the Association for any cost or expense incurred prior to or as of the date the Owner is notified by the Board of its decision to withdraw the Committee's approval related to the removal or replacement of the project to its original state prior to the approval. However, under no circumstance shall the Association be obligated or required to reimburse any Owner for any expenses incurred by the Owner after the Board has notified the Owner of its withdrawal of the Committee's approval, or for any attorney fees, court costs, or other expenses, except materials and labor expenses affiliated with the removal or replacement of the project, associated with any litigation regarding an architectural review matter under this Article.

Article VI, Section 6.07 is hereby added to the Bylaws and reads as follows:

ARTICLE VI

Section 6.07 Appeal to Board of Directors: In the event Hidden Lake Estates has an Architectural Control Committee (Committee) that has been appointed by the Board of Directors and is independent from and does not consist solely of members who are also members of the Board of Directors, any Owner that has submitted an architectural request to the Committee, and that request has been denied by the Committee, shall have the right to appeal the decision of the Committee in writing to the Board of Directors of the Association within thirty (30) days of the date the Committee issued its denial of the request. In addition, the Board, upon written petition by any Owner or Director, may review any architectural decision issued by the Committee within sixty (60) days of the Committee issuing its written decision regarding a submitted architectural request. Upon receipt of an appeal or review request, the Board shall hold a closed hearing on the matter within thirty (30) days of receiving the appeal or review request. Within thirty (30) days of conducting this hearing, the Board shall issue a written finding either upholding the decision of the Committee, amending the decision of the Committee, or reversing the decision of the Committee, and provide a copy of the Board's decision to the Owner who submitted the architectural request, and, in the case of a review request, the Owner who petitioned the Board for review of an architectural approval, via US Mail or Email. In the case of a disapproved architectural plan appeal, if the Board fails to set a hearing or issue a written decision on an appeal within the specified time period, then the decision of the Committee shall automatically be reversed and approval of the project shall be deemed granted. In the case of a petition for review of a granted architectural project, if the Board fails to set a hearing or issue a written decision on the petition for review within the specified time period, then the decision of the Committee shall be automatically upheld.


Article VII, Section 7.01, is hereby amended to read as follows:

ARTICLE VII

AMENDMENT TO THE BYLAWS

Section 7.01 The power to make, alter, amend or repeal the Code of by-Laws and the rules and regulations and for the conduct of the affairs of the Corporation, including the power to elect officers of the Corporation, shall be vested in the Board of Directors of the Corporation; provided, however, that no acts of the Board of Directors shall be inconsistent with or contradictory to these Articles of Incorporation, the Declaration or any provision of law.

The following duly elected Directors of the Hidden Lake Estates Homeowners Association, Inc. constituting a majority of the Board of Directors, do hereby vote in favor of the foregoing amendments to the Bylaws of the corporate entity, Hidden Lake Estates Homeowners Association, Inc.


Signature

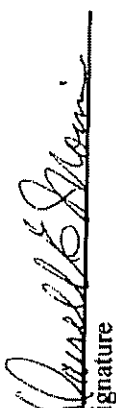
Randy Hausz
Printed Name of Director

11-3-05
Date


Signature

ROBERT P. HOWELL
Printed Name of Director

11/3/05
Date


Signature

DARRELL E. MORRIS
Printed Name of Director

11-3-05
Date

gm

CROSS REFERENCE

Hidden Lake Estates, Plat, Section 1, Instrument # 1999-30074
Hidden Lake Estates, Plat, Section 2, Instrument # 2001-6112
Hidden Lake Estates, Plat, Section 3, Instrument # 2001-191412
Hidden Lake Estates Homeowners Association, Inc., Bylaws, Instrument #1999-30169
Hidden Lake Estates Homeowners Assoc., Inc., First Amend. to Bylaws, Instrument #2005-201066

SECOND
AMENDMENT
to the
CODE OF BY-LAWS
for

HIDDEN LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

COMES NOW the Hidden Lake Estates Homeowners Association, Inc., by its Board of Directors, on this 12 day of October, 2006, and states as follows:

WITNESSETH THAT:

WHEREAS, the residential community in Indianapolis, Marion County, Indiana commonly known as Hidden Lake Estates was established upon the recording of certain Plats with the Office of the Recorder for Marion County, Indiana; and

WHEREAS, the Plat for Hidden Lake Estates, Section I, was filed with the Office of the Marion County Recorder on February 5, 1999, as Instrument # 1999-30074; and

WHEREAS, the Plat for Hidden Lake Estates, Section II, was filed with the Office of the Marion County Recorder on January 11, 2001, as Instrument #2001-6112; and

WHEREAS, the Plat for Hidden Lake Estates, Section III, was filed with the Office of the Marion County Recorder on October 26, 2001, as Instrument #2001-191412; and

WHEREAS, the foregoing Plats contain Covenants that run with the land and which state that by taking a deed to any Lot as set forth on any of the above listed Plats for the Hidden Lake Estates development, each owner will become a mandatory member of the Hidden Lake Estates Homeowners Association, Inc., an Indiana nonprofit corporation (hereinafter "Association"); and

WHEREAS, the Association was incorporated pursuant to the above listed Plat Covenants as a non-profit corporation pursuant to Articles of Incorporation filed with, and approved by, the Indiana Secretary of State on February 10, 1999, and amended pursuant to Articles of Amendment on October 6, 2006; and

WHEREAS, the Association's Board of Directors adopted a Code of Bylaws for the Association and the homeowners within the various Sections of Hidden Lake Estates, said Bylaws being dated February 5, 1999, and recorded on February 5, 1999, as Instrument #1999-0030169, in the Office of the Recorder of Marion County, Indiana, and amended pursuant to the First Amendment to the Code of Bylaws dated November 3, 2005, and recorded on December 6, 2005, as Instrument #2005-201066; and

WHEREAS, the Articles of Incorporation, Article X, Section 3, and the Bylaws, Article VII, Section 7.01, states that the power to make, alter, amend or repeal the Bylaws of the corporation, without the assent or vote of the of the members, shall be vested in the Board of Directors of the Corporation; and

WHEREAS, pursuant to the Articles of Incorporation, Article X, Section 3, and the Bylaws, Article VII, Section 7.01, the Board of Directors desires to make the following amendments to the current Bylaws; and

WHEREFORE, the following Amendments to the Bylaws are hereby approved and adopted by a majority vote of the Board of Directors of the Hidden Lake Estates Homeowners Association, Inc. These amendments do not conflict in any manner with any provision contained in the Declaration, and it is the intention of the Association that all current Bylaw provisions not effected by these amendments are deemed and desired to remain in full force and effect.

Article I, Section 1.04, is hereby added to the Bylaws, and reads as follows:

ARTICLE I

Section 1.04. Rights, Preferences, Limitations and Restrictions of Members. Each member of the Corporation agrees to abide by the Bylaws of the Corporation and all other rules and regulations adopted by the Board of Directors. The Board has the authority to suspend the voting rights and right to use the Common Areas and/or recreational facilities of any Member during any period in which the Member is delinquent in paying any assessment levied by the Corporation. Such Member's rights may also be suspended after written notice and hearing before the Board for infractions of the Plat Covenants or adopted rules and regulations of the Corporation.

Article II, Section 2.05(g), is hereby added to the Bylaws, and reads as follows:

ARTICLE II

Section 2.05. Voting

(g) Voting Rights. Every Member shall have the right at every meeting of the Members to cast the number of votes for his membership as set forth in the Bylaws unless the Member's right to vote has been suspended as set forth in Article I, Section 1.04, of the Bylaws.

Article III, Section 3.01, of the Bylaws shall be deleted in its entirety and replaced with the following:

ARTICLE III

Section 3.01. Number of Directors. The business, property and affairs of the Corporation shall be managed and controlled by the Board of Directors and, subject to such restrictions, if any, as may be imposed by the Declaration, the Articles, these By-Laws, or the Act, the Board of Directors may, and are fully authorized to do all such lawful acts and things as may be done by the Corporation. The Board of Directors shall consist of three (3) Directors, but that number may be increased to nine (9), and may be decreased to, but shall not be less than three (3). The exact number of Directors may be increased or decreased from time to time by resolution of the Board of Directors.

Article III, Section 3.02, of the Bylaws shall be deleted in its entirety and replaced with the following:

ARTICLE III

Section 3.02. Qualifications of Directors. No person shall be eligible to serve as a Director unless he or she is an Owner of a Lot in Hidden Lake Estates. In order for a Member to be eligible to be a Director, such Member must be current and maintain all annual and special assessments imposed by the Corporation and comply with the requirements of the Plat Covenants of Hidden Lake Estates, the Articles, Bylaws and all properly adopted rules and regulations of the Association.

Article III, Section 3.03, of the Bylaws shall be deleted in its entirety and replaced with the following:

ARTICLE III

Section 3.03 Term of Office. Election to the Board of Directors shall be by 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 provided in the Articles of Incorporation, the Declaration of Covenants, or the By-Laws of the Corporation. The persons receiving the largest

number of votes shall be elected. Cumulative voting is not permitted. If no quorum is present at the Annual Meeting where directors are to be elected, then the Board shall appoint persons to fill those open or vacant director positions pursuant to the provisions set forth in Article III, Section 3.04, of these Bylaws.

At the election of directors at the 2006 Annual Meeting, one (1) director shall be elected to serve a one (1) year term of office, one (1) director shall be elected to serve a two (2) year term of office, and one (1) director shall be elected to serve a three (3) year term of office. At all annual directorship elections held after 2006, directors shall be elected to serve a three (3) year term of office. All directors shall serve their full term and/or until their respective successors are properly elected and qualified. A Director may serve any number of consecutive terms.

Article III, Section 3.04, of the Bylaws shall be deleted in its entirety and replaced with the following:

ARTICLE III

Section 3.04 Vacancies on the Board of Directors. Any vacancy that shall occur on the Board of Directors due to the death, resignation, increase or decrease in the number of directors on the Board, or otherwise, shall be filled by a majority vote of the remaining Directors, except in the case of a vacancy created by a Director removed from the Board by the Members pursuant to Article III, Section 3.05, of these Bylaws, which shall be filled by the Members. The Director so appointed to fill the vacancy shall serve the unexpired portion of the term of the Director whom he/she is replacing on the Board.

Article III, Section 3.05, of the Bylaws shall be deleted in its entirety and replaced with the following:

ARTICLE III

Section 3.05 Removal of Directors. Any Director may be removed from the Board of Directors with or without cause, by a majority vote of the Members of the Corporation, at a meeting of the Members called expressly for that purpose. A Director may also be removed by a majority vote of the remaining Directors if he or she fails to attend three (3) or more consecutive meetings of the Board of Directors or becomes ineligible to serve on the Board pursuant to the qualifications set forth in Article III, Section 3.02, of these Bylaws. If a Director is removed at a meeting of the Members, then the Members shall select at the same meeting a replacement to fill the remaining term of the removed Director.

Article III, Section 3.16, is hereby added to the Bylaws, and reads as follows:

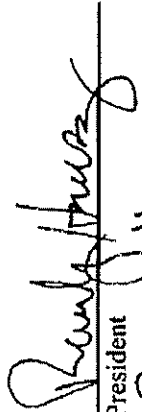
ARTICLE III

Section 3.16 Assistants and Management Agents. The Board of Directors may appoint assistants to aid the Board and its officers in carrying out their duties. The Board may also engage a management agent to assist the Board in carrying out its duties. An assistant or management agent appointed or hired by the Board may exercise such powers and perform such other duties as may from time to time be assigned to them by the Board. An assistant may be removed at any time with or without cause by the Board, and any contract with a management agent must be terminable upon no more than sixty (60) days written notice from the Board.

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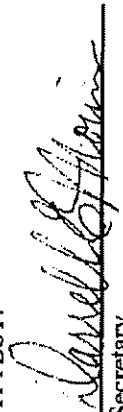
The undersigned hereby certifies that this Second Amendment to the Bylaws of the Hidden Lake Estates Homeowners Association, Inc. was duly moved and passed by a majority vote of the Board of Directors of said Association pursuant to the Articles of Incorporation, Article X, Section 3, and the Bylaws, Article VII, Section 7.01, for Hidden Lake Estates Homeowners Association, Inc.

HIDDEN LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.



President
Randy Hausz

Printed Name of Director
Date 10-12-06
Date

ATTEST:


Secretary
Darrell E. Morris

Printed Name of Director
Date 10-12-06
Date

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law: Scott A. Tanner

This document drafted by and, upon recording, should be returned to:

Scott A. Tanner
TANNER LAW GROUP
6745 Gray Road, Ste H
Indianapolis, IN 46237