

**CODE OF BY-LAWS
OF
HENDERSON CROSSING II CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
Identification and Applicability**

Section 1.1. Name. The name of the corporation is Henderson Crossing II Condominium Association, Inc. (the “Association”).

Section 1.2. Identification and Adoption. These By-Laws are adopted in accordance with the that certain Declaration of Horizontal Property Ownership for Henderson Crossing dated May 21, 1985, and recorded on June 4, 1985, in Book 157, Pages 439-467 in the office of the Recorder of Monroe County, Indiana, as the same may be amended, renewed, or extended from time to time (the “Declaration”). The Declaration is incorporated in these By-Laws by reference, and all of the covenants, rights, restrictions, and liabilities contained in the Declaration shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws. The provisions of these By-Laws shall apply to the Tract and the administration and conduct of the affairs of the Association.

Section 1.3. Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy any Unit or any part of the Property shall be subject to the rules, restrictions, terms and conditions set forth in the Declaration and these By-Laws. The acceptance of a deed of conveyance, the execution of a lease, or the occupancy of a Unit shall constitute an agreement that these By-Laws (and any rules and regulations made pursuant to the By-Laws) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be controlling.

**ARTICLE II
Membership and Meetings**

Section 2.1. Membership. Each Owner of a Condominium Unit shall automatically, upon becoming an Owner of a Condominium Unit, be and become a member of the Association (“Member”) and shall remain a member of the Association until such time as his or her ownership ceases, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2.2. Purpose of Meetings. At least annually and at such other times as may be necessary or appropriate, a meeting of the Members shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Expenses, and for such other purposes as may be required by these By-Laws.

Section 2.3. Annual Meetings. The annual meeting of the Members of the Association shall be held on the the first Thursday of February in each calendar year. 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.

Section 2.4. Special Meetings. A special meeting of the Members may be called by resolution of the Board of Directors or upon a written petition of the Members who have not less than twenty-five percent (25%) of the Percentage Vote. Any resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.5. Notice of Meetings. All meetings of the Members of the Association shall be held at any suitable place in Monroe County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time, place of any meeting, and in the case of a special meeting the purpose(s) for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Member not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Members at their address as it appears upon the records of the Association. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 2.6. Voting. Each Member shall be entitled to cast that number of votes on each matter coming before the meeting which is equal to the Percentage Vote to which the Member is entitled as more fully set forth in the Declaration, the terms of which pertaining to voting rights are specifically incorporated herein by reference.

2.6.1. Multiple Owner. Where the Owner of a Condominium Unit constitutes more than one person, or is a partnership, there shall be only one voting representative entitled to the vote allocable to that Condominium Unit. Those persons or partners constituting such Owner shall file with the Secretary of the Association a proxy appointing one of such persons or partners as the voting representative for such Owner which shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order of a court of competent jurisdiction. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting(s) pursuant to Section 2.7 below, which shall constitute relinquishment of his right to act as voting representative until the termination or expiration of the proxy.

2.6.2. Voting by Corporation or Trust. Where a trust, corporation or limited liability company ("LLC") is an Owner, the trustees (on behalf of a trust), an officer, agent or other representative duly empowered by the board of directors of a corporation, or a member or manager duly empowered by the membership of an LLC, as the case may be, shall cast the vote to which the trust, corporation or LLC is entitled, respectively.

Section 2.7. Proxies. Members may vote in person or by written proxy delivered to the Association prior to the commencement of the meeting at which such proxy is to be voted. Every

proxy shall be revocable and shall automatically cease upon the expiration of one hundred and eighty (180) days from the date the proxy was executed.

Section 2.8. Quorum. Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of the Members representing twenty-five percent (25%) of the Percentage 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 2.9. Conduct of Meeting. 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.

2.9.1 Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

2.9.2 Treasurer's Report. The Treasurer shall report to the Members concerning the financial condition of the Association and to answer relevant questions of the Members concerning the common expenses and financial report for the prior year and the proposed budget for the current year.

2.9.3 Budget. The proposed budget for the current calendar year shall be presented to the Members for approval or amendment.

2.9.4 Election of Board of Directors. Nominations for the Board of Directors may be made by any Member from those persons who are eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least fourteen (14) days prior to the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a director.

At each election for the Board of Directors, every Member entitled to vote at such election shall have the right to multiply the Percentage Vote he may be entitled to vote by the number of directors to be elected and cast the product for a single candidate, or distribute the product among two (2) or more candidates. The Percentage Vote otherwise entitled to vote cumulatively may not be voted cumulatively at a particular meeting unless: (1) the meeting notice or proxy statement accompanying the notice states conspicuously that cumulative voting is authorized; or, (2) a Member who has the right to cumulate the Member's votes gives notice to the Corporation not less than forty-eight (48) hours before the time set for the meeting of the Member's intent to cumulate the Member's votes during the meeting, and if one (1) Member gives this notice, all other Members are entitled to cumulate their votes without giving further notice.

Those persons receiving the highest number percentage vote shall be elected. An election tie that involves only two (2) candidates will be broken using a coin toss. An election tie that involves three (3) or more candidates will be broken by drawing cards. For the purpose of this process, the Ace card will have the value of 1. After a deck of cards is shuffled in front

of the candidates, each candidate will draw a card from the deck. The candidate drawing the highest value card will be successful and the tie will be broken. If two (2) or more candidates draw the highest value cards, then those candidates drawing the lower value cards will be eliminated and the process will start again with only the candidates drawing the higher value cards.

2.9.5 Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least fourteen (14) days prior to the date of the meeting; provided, however, that such written requests may be waived at the meeting if all Members present at the meeting consent.

2.9.6 Adjournment. Upon completion of all business before the Association, the President, upon the motion of any Member, may adjourn the meeting.

Section 2.10. Failure of Quorum. If a quorum is not achieved at any meeting of the Association a purpose of which is the election of members of the Board of Directors, the members of the Board at the time of the meeting shall continue to serve until their successors are duly elected and qualified, regardless of the length of any Board member's term or the number of terms served. 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 alternate, may adjourn the meeting to a time not less than five (5) 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 2.11. Action Without A Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

Section 2.12. Attendance at Meetings. Meetings of the Members may be attended by any means of communication by which all Members participating may simultaneously hear each other during the meeting. A Member participating in a meeting by such means is deemed to be present in person at the meeting.

ARTICLE III

Board of Directors

Section 3.1 Board of Directors. The affairs of the Association shall be governed and managed by the Board of Directors. Each Director shall be a Member or a person designated by a Member of the Association.

Section 3.2. Number. The Board of Directors shall consist of a minimum of three (3) directors and a maximum of five (5) directors, as designated by resolution of the Board of Directors from time to time. Unless otherwise designated, the Board shall consist of three (3) directors.

Section 3.3. Election and Term of Office. The Board of Directors shall be elected at each annual meeting of the Association in accordance with Section 2.9.4 above. Each Director elected by the Members shall serve for a term of one (1) year and until his or her successor is elected and qualified. Directors may be elected to serve any number of consecutive terms.

Section 3.4. Removal of Directors. Any Director may be removed, with or without cause, by the vote of Members holding at least two-thirds (2/3) of the votes of the Members in attendance by person or proxy, at any special meeting called for the purpose. A successor to fill the unexpired term of a Director removed may be elected by the voting Members at the same meeting or any subsequent meeting called for that purpose. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose.

Section 3.5. Vacancies. Any vacancy among the Directors caused by death, resignation, removal or otherwise that is not filled by the Members pursuant to Section 3.4 above, shall be filled by the remaining Directors. A Director chosen to fill a vacancy shall hold office until the expiration of the term of the Director causing the vacancy and until that Director or his successor shall be elected and qualified.

Section 3.6. Powers. The Board of Directors shall have such powers as are reasonably necessary or appropriate to accomplish the performance of their duties. These powers include, but are not limited to, the following:

3.6.1. employment of a professional managing agent or real estate management company (either being hereinafter referred to a “Managing Agent”) to assist the Board of Directors in performing its duties;

3.6.2. preparation and adoption of annual budgets in which there shall be established the contribution of each Member to the Common Expenses;

3.6.3. making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

3.6.4. providing for the operation, care, upkeep, maintenance, repair and replacement of the Common Areas;

3.6.5. designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, 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;

3.6.6. employing legal counsel, architects, contractors, 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;

3.6.7. collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

3.6.8. adopting, revising, amending and altering from time to time reasonable rules and regulations with respect to use, occupancy, operation and enjoyment of the Association Property;

3.6.9. opening of bank accounts of behalf of the Association and designating the signatories required;

3.6.10. making or contracting for the making of repairs, additions, and the 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;

3.6.11. 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;

3.6.12. obtaining and carrying for the benefit of the Association fire and extended coverage insurance covering all Association Property, to the full replacement value thereof and to procure public liability and property damage insurance, Directors and officers liability insurance, Workmen's Compensation insurance, and such other insurance as the Board of Directors may determine is necessary for the benefit of the Members and the Association;

3.6.13. paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

3.6.14. 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;

3.6.15. making available to any prospective purchaser of a Condominium Unit, any Owner of a Condominium Unit, and any first Mortgagee, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Condominium Unit and all other books, records, and financial statements of the Association; and

3.6.16. permitting utility suppliers to use portions of the Common Areas reasonably necessary to the ongoing development or operation of the Property.

Section 3.7. 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 Five Thousand Dollars (\$5,000.00) without obtaining the prior approval of the Members who have not less than sixty-seven percent (67%) of the Percentage Vote, except in the following cases:

3.7.1. Contracts for replacing or restoring portions of the Common Areas or Limited Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received.

3.7.2. Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Members at the annual meeting.

3.7.3. Expenditures necessary to deal with emergency conditions in which there is insufficient time to call a meeting of the Members.

Section 3.8. Compensation. No Directors shall receive any compensation for any service to the Association except to such extent as a Director may be reimbursed for actual expenses incurred in the performance of the Director's duties.

Section 3.9. 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 Directors. The Secretary shall give notice of regular meeting of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

Section 3.10. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association or by any two (2) Directors, who shall give written notice thereof to the Secretary. 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, either personally or by mail, and at least five (5) days prior to the date of such special meeting.

Section 3.11. Waiver of Notice. Before any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving 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 any meeting of the Board of Directors, either in person, by proxy, by telephone, or some other electronic means, no notice shall 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 Association for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board of Directors on behalf of

the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. **Every contract made by the Board shall provide that the Board of Directors, in executing such contract, is acting as agent for the Association and shall have no personal liability thereunder.**

Section 3.14. Informal Action of Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

Section 3.15. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws or any rules and regulations duly adopted hereunder; provided, however nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Condominium Unit or to suspend an Owner's right to vote due to nonpayment of assessments unless the assessments are delinquent for more than six (6) months. In the event that any non-Owner occupant of a Condominium Unit violates the Declaration, these By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the non-Owner occupant; provided, however, if the fine is not paid by the non-Owner occupant within the time period set by the Board, the Owners shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of the parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE IV

Officers

Section 4.1. Officers. The officers of the Association shall consist of a President, a Vice-President, a Secretary and a Treasurer. The officers shall be chosen from among the Directors. Any two (2) or more offices may be held by the same person except that the duties of president and secretary shall not be performed by the same person.

Section 4.2. Election and Terms of Office. 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. Every officer will serve for a term of one (1) year except an

officer filling the vacancy created by resignation, death or removal of his successor in which case, the officer shall serve for the unexpired term of his successor.

Section 4.3. Removal; Resignation. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. 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 4.4. The President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors, shall have and discharge all the general powers and duties usually vested in the office of the 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 among the Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board of Directors may from time to time prescribe.

Section 4.5. The Vice President. The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these By-Laws may prescribe or as shall, from time to time, be imposed upon him by the Board or by the President.

Section 4.6. The Secretary. The Secretary shall attend all meetings of the Association and of the Board of Directors and shall keep or cause to be kept a true and complete record of proceedings of such meetings, and shall perform a like duty, when required, for all committees appointed by the President or the Board of Directors. If required, the Secretary shall attest the execution by the Association of deeds, leases, agreements and other official documents. The Secretary shall maintain records related to ownership of each Condominium Unit, and shall attend to the giving and serving of all notices of the Association, and in general shall perform all duties pertaining to the office of secretary and such other duties as these By-Laws or the Board of Directors may prescribe.

Section 4.7. The Treasurer. The Treasurer shall keep or cause to be kept correct and complete records of account, showing accurately at all times the financial condition of the Association. The Treasurer shall have charge and custody of, and be responsible for, all funds, notes, securities and other valuables which may from time to time come into the possession of the Association. The Treasurer shall deposit, or cause to be deposited, all funds of the Association with such depositories as the Board of Directors shall designate. The Treasurer shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Association, and in general shall perform all duties pertaining to the office of treasurer.

ARTICLE V

Assessments

Section 5.1. Purpose of Assessments. The purpose of Regular and Special Assessments is to provide funds to maintain and improve the Common Areas and related facilities for the benefit of

the Owners, and the same shall be levied for the following purposes: (i) to promote the health, safety and welfare of the residents occupying the Property, (ii) for the improvement, maintenance and repair of the Common Areas, and (iii) for the performance of the responsibilities specifically provided for herein. A portion of the Regular Assessment may be set aside or otherwise allocated in a reserve fund for the purpose of providing repair and replacement of any capital improvements which the Association is required to maintain.

Section 5.2. Annual Accounting. Annually, after the close of each calendar year and prior to the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared and shall furnish each Member a financial statement, which statement shall show all receipts and expenses received, incurred, or paid during the preceding calendar year.

Section 5.3. Proposed Annual Budget. Annually, on or before the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total amount of the common expenses for the ensuing year and shall furnish a copy of such proposed budget to each Member prior to the annual meeting. The proposed annual budget shall be submitted to the Members at the annual meeting of the Association for adoption, and if so adopted shall be the basis for the Regular Assessments for the ensuing calendar year. At the annual meeting of the Members, the proposed budget may be approved in whole or in part, or may be amended in whole or in part by the Members holding a majority of the Percentage Vote in attendance either in person, or by proxy, at the annual meeting.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Members shall not constitute a waiver or release of the Members to pay the common expenses.

Section 5.4. Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the common expenses in the ensuing year as set forth in said budget, contain a proposed assessment against the Members based on the total amount of said budget divided by the Members' percentage interest in the Association. The Regular Assessment against each Member shall be paid in two (2) installments; the first on or before April 1; and, the second on or before June 1. Payment of the two (2) installments of the Regular Assessment shall be made to the Board of Directors; provided, however, that any Member may elect to pay any Regular Assessment in advance. The Regular Assessment for each year shall become a lien on each Member's separate property as of the date of the adoption of the annual budget.

Section 5.5. Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy such Special Assessments as may be necessary for the purpose of defraying, in whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto, and (2) the expense of any other contingencies or events not provided for in the annual budget or the reserves and the working capital of the Association; provided that no Special Assessments shall be levied without the assent of the Members in attendance either in person, or by proxy, holding a majority of the Percentage Vote of the Association at a meeting duly called for this purpose. Each Member shall pay the Association a Special Assessment based on the total sum approved to meet the costs and expenses as heretofore provided divided by the Member's voting interest in the Association.

Section 5.6. Adjustments. In the event that the approved budget and Regular Assessments plus the reserves and working capital of the Association provide insufficient to meet the Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. In the event the approved Regular Assessments exceed actual expenses in any year, such surplus shall either be retained and used to offset expenses in the next year(s), or shall be added to the reserve fund, as determined by a majority vote of the Board.

Section 5.7. Temporary Budget and Assessments. If for any reason an annual budget and the Regular Assessments for any year have not been determined as of the annual meeting of any year, the budget and Regular Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and annual assessments are determined in accordance with these By-Laws; provided, however, that said preceding budget and Regular Assessments may be increased by up to fifteen percent (15%) as the Board of Directors, by majority vote, may deem necessary in said temporary budget and Regular Assessments.

Section 5.8. Collection of Assessments. Each Assessment shall be due and payable on the due date thereof as specified in these By-Laws, or if not so specified, then on any due date(s) determined by the Board of Directors. Any Regular or Special Assessment which is not paid in full within ten (10) days of the due date shall be deemed delinquent without further notice or demand to the defaulting Member and shall bear interest on the unpaid balance thereof from the due date until fully paid, at a rate of interest equal to eight percent (8%) per annum. In the event that any costs or expenses, including attorney's fees, are incurred by or on behalf of the Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Member and shall bear interest from the date incurred until paid in full, at a rate of interest equal to eight percent (8%) per annum. All interest and all costs and expenses payable hereunder with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Member's property.

Section 5.9. Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in the Declaration or these By-Laws, any sale or transfer of a Member's property pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosure shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien cannot relieve the prior Member from personal liability therefor.

Section 5.10. Creation of Lien and Personal Obligation. Each Owner of a Condominium Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (i) regular assessments for Common Expenses ("Regular Assessments") and (ii) special assessments for capital improvements and operating deficits and for special maintenance and repairs ("Special Assessments"). Such assessments shall be established, shall commence upon such dates and shall be collected as herein provided. All such assessments, together with interest, costs of collection and reasonable attorneys' fees, shall be a continuing lien upon the Condominium Unit against which such assessment is made prior to all other liens except only (i) tax liens on any Condominium Unit in favor of any unit of government or special

taxing district and (ii) the lien of any first mortgage of record. Each such assessment, together with interest, costs of collection and reasonable attorneys' fees, shall also be the personal obligation of the Owner of the Condominium Unit at the time such assessment became due and payable. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. The personal obligation for delinquent assessments (as distinguished from the lien upon the Condominium Unit) shall not pass to such Owner's successors in title unless expressly assumed by them. The Association, upon request of a proposed mortgagee or proposed purchaser having a contractual right to purchase a Condominium Unit, shall furnish to such mortgagee or purchaser a statement setting forth the amount of any unpaid Regular or Special Assessments or other charges against the Condominium Unit. Such statement shall be binding upon the Association as of the date of such statement.

Section 5.11. Maintenance and Repairs. Every Owner shall promptly perform all maintenance and repair within his own Condominium Unit, which, if neglected, would affect the value of the Property and is the responsibility of the Owner to make personally. Such maintenance and repairs include, but are not limited to, internal water lines, plumbing, electric lines, appliances, gas lines, air conditioning, doors, windows, light fixtures, and all other accessories belonging to the Owner and appurtenant to the Condominium Unit, including washing and cleaning of exterior window surfaces of the Condominium Unit.

ARTICLE VI

Restrictions on Use

Section 6.1. Restrictions on Use. The following restrictions on the use and enjoyment of the Condominium Units, Common Areas, Limited Areas and the Property shall be applicable to Henderson Crossing Condominiums and in addition to those set forth in the Declaration:

6.1.1. All Condominium Units shall be used exclusively for residential purposes. Nothing herein contained shall restrict the use of premises during construction and original sale period as "models", office, construction trailer and equipment, and for storage of equipment, materials and supplies.

6.1.2. No additional buildings shall be erected or located on the Tract other than the Buildings designated in the Declaration and shown on the Plans without the prior written consent of the Board.

6.1.3. Nothing shall be done or kept in any Condominium Unit or in the Common Areas or Limited Areas which will cause an increase in the rate of insurance on any Building or the contents thereof. No Owner shall permit anything to be done or kept in his Condominium Unit or in the Common Areas or Limited Areas which will result in a cancellation of insurance on any Building or contents thereof, or which would be in violation of any law or ordinance.

6.1.4. No waste shall be committed in the Condominium Units, Common Areas or Limited Areas.

6.1.5. No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a Building, or on or upon any balcony or patio, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roof or any other parts of any Building without the prior written consent of the Board.

6.1.6. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Condominium Unit or in the Common Areas or Limited Areas, except that small pet dogs, cats or customary household pets may be kept, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash and an Owner shall be fully liable for any damage to the Common Areas or Limited Areas caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Property upon three (3) written notices from the Board to the respective Owner.

6.1.7. Nothing shall be done or permitted in any Condominium Unit which will impair the structural integrity of any Building or which would structurally change any Building, except as otherwise provided in the Declaration or these By-Laws; nor shall the premises be used in any unlawful manner or in any manner to cause injury to the reputation of the Condominium Unit or to be a nuisance, annoyance, inconvenience or damage to other tenants of the Building or neighborhood, including without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment or machines.

6.1.8. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly material.

6.1.9. No industry, trade or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property.

6.1.10. No "for sale", "for rent" or "for lease" signs or other window advertising display shall be maintained or permitted on any part of the Property or any Condominium Unit without the prior consent of the Board; provided, however, that the right is reserved by the Declarant and the Board to place or allow to be placed "for sale" or "for lease" signs on any unsold or unoccupied Condominium Units.

6.1.11. All Owners and members of their families, their guests, or invitees, and all occupants of any Condominium Unit or other persons entitled to use the same to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Areas and Limited Areas.

6.1.12. No boats, campers, trailers of any kind, buses, mobile homes, trucks, commercial vehicles, or any other unconventional vehicles of any description, shall be permitted, parked or stored anywhere within the Property, provided, however, that nothing herein shall prevent the parking or storage of such vehicles completely enclosed within a garage.

6.1.13. No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas or Limited Areas, except with the express permission from the Board.

6.1.14. No Owner shall be allowed to place or cause to be placed in the lobbies, vestibules, stairways, hallways or areas of a similar nature and used for a similar purpose, both Common and Limited, any furniture, package or objects of any kind, without the consent of the Board of Directors.

6.1.15. All trash or refuse shall be stored in appropriate containers inside the Condominium Units (including garage) or designated trash areas and made accessible for the programmed trash collection system established by the Board of Directors.

Failure of the Association to insist upon strict compliance with the terms of this Section 6.1 will not constitute a waiver of Association's rights to act on any violation. Association's rights are accumulative, and the exercise of any remedy by the Association will not exclude or waive the right to exercise any other right or remedy.

Section 6.2. Right of Entry. An Owner or occupant of a Condominium Unit shall grant the right of entry to any person authorized by the Board in case of any emergency originating in or threatening his Condominium Unit or the Building in which it is located, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his Condominium Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.3. Right of Board to Adopt Rules and Regulations. The Board of Directors may promulgate such additional rules and regulations regarding the operation of the Property as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board, and the Board shall cause copies of such rules to be delivered or mailed promptly to all Members and their tenants, guests and invitees.

ARTICLE VII

Amendments

Section 7.1. Amendments. These By-Laws may be amended only by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Members representing two-thirds (2/3) of the total Percentage Vote of the Association.

ARTICLE VIII

Miscellaneous

Section 8.1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 8.2. 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 8.3. Conflicts. If there are conflicts between the provisions of Indiana law, the Articles of Incorporation, the Declaration, and these By-Laws or any Rules and Regulations adopted by the Board, the provisions of Indiana law, the Declaration, the Articles of Incorporation, the By-Laws and any Rules and Regulations adopted by the Board (in that order) shall prevail.

Section 8.4. Books and Records.

8.4.1. Inspection by Members and Mortgagees. The Declaration and By-Laws, 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 Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

8.4.2. 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 8.5. 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 has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Condominium Unit 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 shall be designated by notice in writing to the Members pursuant to this Section.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Henderson Crossing II Condominium Association, Inc., an Indiana nonprofit corporation, and that the foregoing constitute the By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the _____ day of _____, 20____.

_____, Secretary