

BYLAWS
OF
THE PINES MASTER ASSOCIATION, INC.

ARTICLE I

DEFINITIONS

Section 1.1. “Act” shall mean and refer to the Indiana Nonprofit Corporation Act of 1991 and any subsequent amendments thereto.

Section 1.2. “Articles of Incorporation” or “Articles” shall mean and refer to the Articles of Incorporation of The Pines Master Association, Inc., as filed with the Secretary of State of the State of Indiana.

Section 1.3. “Master Board of Directors” or “Master Board” shall mean and refer to the Board of Directors of the Master Association appointed each year by the individual Boards of The Village Pines at Pines of Greenwood Homeowners Association and The Pines of Greenwood Homeowners Association.

Section 1.4. “Directors” shall mean and refer to the Members of the Board of Directors.

Section 1.5. “Lot” shall mean and refer to each plot of land included in Pines of Greenwood or Village Pines identified as a lot on any recorded plat of Pines of Greenwood or Village Pines upon which it is intended that a dwelling shall be constructed.

Section 1.6. “Master Association” shall mean The Pines Master Association, Inc., an Indiana nonprofit corporation formed or to be formed under the Indiana Nonprofit Corporations Act of 1991 as amended, for the purpose of taking care of and maintaining the Master Common Areas within The Pines planned unit development. The Master Association is separate and independent from Pines of Greenwood Homeowners Association, Inc. and Village Pines at Pines of Greenwood Homeowners Association, Inc.

Section 1.7. “Mortgage” shall mean and refer to any mortgage or other security instrument by which real property or any improvements thereon are encumbered.

Section 1.8. “Mortgagee” shall mean and refer to a beneficiary or holder of a Mortgage.

Section 1.9. “Mortgagor” shall mean and refer to any person or entity who gives a Mortgage.

Section 1.10. "Neighborhood" shall mean and refer to The Pines as set forth in the Master Plan.

Section 1.11. "Member" shall mean and refer to the record Member, whether one or more persons, of fee simple title to any Lot which is part of Village Pines or Pines of Greenwood, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

Section 1.12. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

Section 1.13. "Pines of Greenwood" shall mean that certain residential community within The Pines located in Johnson County, Indiana known as "Pines of Greenwood," as more particularly described in the Master Plan and the Plats for the Pines of Greenwood subdivision.

Section 1.14. "Pines of Greenwood Association", or "POGHOA", shall mean and refer to Pines of Greenwood Homeowners Association, Inc., an Indiana non-profit corporation.

Section 1.15. "The Pines" shall mean the master planned community in Greenwood, Johnson County, Indiana, established by the Planned Unit Development Ordinance ("Master Plan") approved by the City of Greenwood and recorded with the Office of the Johnson County Recorder on March 30, 1999, as **Instrument # 1999-010066**. The Pines was to consist of two separate communities, The Pines of Greenwood and The Village Pines, and was to contain certain open areas to be shared by both of these communities.

Section 1.16. "Master Plan", or "Pines PUD" shall mean and refer to the Master Plan of the Pines of Greenwood recorded in the Office of the Recorder of Johnson County, Indiana as **Instrument # 1999-010066** and all amendments thereof filed for record in the public records of Johnson County, Indiana.

Section 1.17. "Property" shall mean and refer to those tracts or parcels of real estate described in the Pines PUD.

Section 1.18. "Master Assessment" shall refer to the pro-rata share of the Master Common Expenses owed by each lot as divided between The Pines of Greenwood and The Village Pines to cover the Master Common Expenses incurred by the Master Association each fiscal year.

Section 1.19. "Master Common Areas" shall refer to those areas and all improvements and facilities located thereon owned in fee simple by the Master Association and set aside for use by all residents in The Pines. The Master Common Areas shall include the pool, pool house, playground, parking area as more specifically described in "Exhibit A" attached to these amendments, and three (3) of the islands on Averitt Road located at the north entrance of The Pines (islands originally designated as common areas J, K and L on the Plat for Pines of Greenwood, Section 1).

Section 1.20. "Master Common Expenses" shall refer to the actual and estimated cost to the Members of The Pines for the maintenance, operation, repair, replacement, and

improvement of the Master Common Areas, including all Master Common Areas located thereon. The Master Common Expenses shall be split evenly between The Pines of Greenwood and The Village Pines.

Section 1.21. "Master Special Assessment" shall refer to an assessment levied by the Master Board which is in addition to the Master Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement to the Master Common Areas or to cover any operating deficits that may occur if the Master Assessments levied for that year are insufficient to pay for the Master Common Expenses as budgeted for that fiscal year.

Section 1.22. "Sub-Association", also referred to as **"Sub-Associations"**, when discussing the Master Association shall refer to The Pines of Greenwood Homeowners Association, Inc. and/or The Village Pines at Pines of Greenwood Homeowners Association, Inc.

Section 1.23. "Village Pines" shall mean that certain residential community located within The Pines in Johnson County, Indiana known as "Village Pines," as more particularly described in the Master Plan and the Plats for the Village Pines subdivision.

Section 1.24. "Village Pines Association", or **"VPHOA"**, shall mean and refer to The Village Pines at the Pines of Greenwood Homeowners Association, Inc., an Indiana non-profit corporation.

ARTICLE II

NAME, PRINCIPAL OFFICE AND DEFINITIONS

Section 2.1. Name. The name of the Master Association shall be "The Pines Master Association, Inc."

Section 2.2. Principal Office. The principal office of the Master Association in the State of Indiana shall be located at such place in the State of Indiana as the Board of Directors of the Master Association shall determine from time to time.

Section 2.3. Registered Agent. The registered agent of the corporation is currently: Scott A. Tanner, TANNER LAW GROUP, 6125 S. East St. (U.S. 31), Indianapolis, IN 46227. However, it should be noted that the registered agent may be a member of the Master Association Board of Directors, a hired management agent, or other professional representing the Master Association and can potentially change from year to year. Therefore, the current registered agent of the Association may be determined through the most recent annual business entity report filed with the Indiana Secretary of State's office.

ARTICLE III

MEMBERS AND MEMBERSHIP MEETINGS

Section 3.1. Members. As provided in the Articles of Incorporation of the Master Association, the Members of the Master Association shall be all of the Members of the Pines of Greenwood Association and the Village Pines Association.

Section 3.2. Place of Meetings. Meetings of the Members must be held in Johnson County, Indiana, at a location, place and time set by the Master Association Board of Directors.

Section 3.3. Notice of Meetings. Unless ballot voting is being used or as otherwise required by these Bylaws of Indiana law, written or printed notices stating the place, day and hour of a Membership meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Master Association to each member of record of the Master Association eligible to vote at the meeting, at such address as appears upon the records of the Master Association, at least ten (10) days before the date of the meeting, but not more than sixty (60) days prior to the meeting.

Notices of any meeting may be mailed by first class U.S. Mail, postage pre-paid. Notices of meetings may also be hand-delivered to a Member's residence. If the Member consents to electronic service, then notice of meetings may be provided to Members by email or postings on the Association's website, if one exists.

Notice of any meeting of the Members may be waived in writing by any Member or by the Member's attendance at the meeting in person, by proxy or by ballot.

Section 3.4. Voting Rights. Unless suspended, each Member is entitled to cast one (1) vote for each Lot he owns on each issue properly brought before the Membership. In the event any Lot is owned by more than one person, the Members must decide among themselves which Member is entitled to vote at a meeting of the Members. In the event the Lot is owned by a corporation or other entity, that entity may appoint a representative to cast the vote(s) for the Lot.

Section 3.5. Suspension of Rights. No member shown on the books or management accounts of the Master Association or any sub-association to be more than six months delinquent in any payment due shall be eligible to vote, either in person or by proxy.

For purposes of this provision, the six month period begins on the first day of the fiscal year or the due date of the assessment as set by the Master Board pursuant to its authority as set forth in the Declaration, whichever is later in time. If the amount due is for an obligation other than assessments, such as reimbursement for a covenant violation or court judgment, then the six month period shall start on the date the amount became due. The term "payment" means the payment of all amounts due to the Master Association or sub-association, including any assessments, collection fees, interest, late fees, attorney fees, court costs, or other sums that are owed.

Section 3.6. Quorum. At any meeting of the Membership, unless otherwise stated in these Bylaws, the presence of Members, in person or by proxy, entitled to cast ten percent (10%) of the cumulative total number of valid and eligible Member votes in the Master Association shall constitute a quorum. For purposes of this section, the term "eligible" means any Member

whose privileges are not suspended for any reason. If a Member has had his voting rights suspended, that vote is not considered a valid or eligible vote toward calculating quorum requirements. After a Member's vote is represented, either in person or by proxy, for any purpose at a meeting, the vote will be considered present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting.

Section 3.7. Proxies. A Member may vote either in person or by his duly appointed proxy. Where a Member's vote is by proxy, the Member must designate his proxy in writing and deliver it to the Master Association or any officer or agent of the Master Association authorized to tabulate votes. The proxy is effective once it is received by the Master Association.

A proxy must contain the Member's printed name, address or Lot number, the Member's signature, and the date the proxy is executed (signed). A proxy is only valid for eleven (11) months from the date of its execution unless a longer or shorter period of validity is expressly set forth in the proxy. A proxy may be revoked in writing by the Member prior to being exercised or by the Member's personal attendance at the meeting where the vote is to be taken.

If a Member signs more than one proxy appointment, the latest in time, if possible to determine, is considered to be valid. If a Member signs more than one (1) proxy to be used at a particular meeting, and it cannot be determined which proxy is the latest in time, then none of the Member's proxies may be counted or voted.

Section 3.8. Ballots. Any action required or permitted to be taken at any meeting of the Members may be taken by written ballot with or without a meeting if the Master Association delivers a written ballot to every Member eligible to vote on the matter. To be valid, the ballot must contain:

- a) the printed name of the Member;
- b) the signature of the Member;
- c) the lot(s) in The Pines owned or being purchased by the Member; and
- d) the date the ballot is being signed.

Approval by written ballot is only valid if:

- a) the number of votes cast in person and/or by ballot equals or exceeds the quorum required to be present at a meeting authoring such action; and
- b) the number of approvals equals or exceeds the number of votes required to approve the matter at a meeting.

The written ballot must set forth each proposed action and provide an opportunity for the Member to vote for or against each proposed action. A solicitation, or request, for votes by written ballot must indicate:

- a) the number of responses needed to meet the quorum requirements;
- b) the percentage of approvals necessary to approve each matter, other than the election of directors; and
- c) specify the time by which a ballot must be received by the Master Association to be counted.

If a meeting is to be held, then ballots may be mailed or personally delivered to the Master Association's registered office prior to the meeting date; however, unless otherwise

stated on the ballot, all ballots cast by Members NOT attending the meeting must be RECEIVED at the Master Association's registered office by the end of business at least two (2) calendar days prior to the date of the meeting in order to be counted. Unless otherwise stated on the ballot, any ballots received less than two (2) calendar days prior to the meeting date will not be counted.

If a meeting is NOT to be held, then Members must mail or personally deliver their ballot to the Master Association's registered office by the due date stated on the ballot. Any ballots RECEIVED after the due date will not be counted.

Only official ballots sent to the Members by the Master Association will be accepted. Unofficial ballots will not be counted. Ballots must be received by the Master Association in a sealed envelope; ballots in open or unsealed envelopes will not be counted. Each Member must fully fill out the ballot, print their name and address and sign the ballot. The Master Board may adopt additional voting procedures for submitting and processing ballots.

If a Member signs or submits more than one ballot, the latest in time, if possible to determine, is considered to be valid. However, if a Member signs or submits more than one ballot, and it is not possible to determine which ballot is to be used, the Master Board may reject all ballots submitted by that Member.

Section 3.9. Approval of Measures. Pursuant to IC 32-25.5-3 et. seq., the following approval is required for the following measures:

- a) **Borrowing.** As set forth in IC 32-25.5-3-5, the Master Association may not borrow money during any calendar year on behalf of the Master Association in an amount that exceeds the greater of: (1) five thousand dollars (\$5000) during any calendar year; or (2) if the Master Association operated under an annual budget in the previous calendar year, an amount equal to at least ten percent (10%) of the previous annual budget of the Master Association, unless borrowing the money is approved by the affirmative vote of a majority of the eligible Members of the Master Association voting under this section. A vote held under this section must be conducted by paper ballot. The Master Association shall distribute paper ballots to persons eligible to vote under this section at least thirty (30) days before the date the votes are to be opened and counted. Votes cast under this section shall be opened and counted at a public meeting held by the Master Association.

For purposes of this section, the term "eligible" means that a Member is not suspended for delinquent assessments or other amounts owed to the Master Association or to their respective sub-association.

- b) **Contracts.** As set forth in IC 32-25.5-3-4, the Master Board may not enter into any contracts that would result in a new assessment or the increase in an existing assessment payable by the Members in an amount of more than five hundred dollars (\$500) per year for each member unless the Master Board holds at least two (2) Membership meeting concerning the contract, and the contract is approved by at least two-thirds (2/3) of the eligible Members of The Pines.
- c) **Major Decisions.** The Master Association shall not, without the affirmative vote or written consent, or any combination thereof, of Members representing at least two-thirds (2/3) of the eligible votes in the Village Pines Association and of Members representing at least two-thirds (2/3) of the eligible votes in the Pines of Greenwood

Association, (a) sell, transfer, assign, convey, mortgage or otherwise dispose of the Master Common Areas or any parts thereof; or (b) permanently close, without intent of re-opening, the Master Common Areas.

ARTICLE IV

BOARD OF DIRECTORS: NUMBER, POWERS, AND MEETINGS

Section 4.1. Governing Body: Composition. The affairs of the Master Association shall be governed by a Master Board of Directors made up of Board Members from both Pines of Greenwood Association and Village Pines Association. Each director shall have one (1) vote.

Section 4.2. Number of Directors. The number of Directors in the Master Association shall be equal to five (5) directors.

Section 4.3. Appointment and Term of Office. Notwithstanding any other provision contained herein:

(a) The Master Board of Directors shall be appointed from members of the Pines of Greenwood Association and the Village Pines Association board of directors as follows: (i) two (2) Directors shall be appointed by the Village Pines Association; (ii) two (2) Directors shall be appointed by the Pines of Greenwood Association; and (iii) the fifth (5th) Director shall be appointed by the Village Pines Association in odd numbered years and by the Pines of Greenwood Association in even numbered years.

(b) Except for the initial Master Board, each of the members of the Master Board of Directors that are appointed by the Village Pines Association and the Pines of Greenwood Association will commence their respective terms as Directors of the Master Association on the first day of the fiscal year. The initial Master Board shall serve from the date appointed until the end of that same fiscal year.

(c) Except for the initial Master Board, each Director appointed by the Village Pines Association and the Pines of Greenwood Association will serve for a term of one (1) year. The initial Master Board shall serve from the date appointed until the end of that same fiscal year.

(d) Each Director appointed by the Village Pines Association and the Pines of Greenwood Association shall hold office until their respective successors have been appointed or elected in accordance with these Bylaws.

(e) Directors may be appointed to serve any number of consecutive terms.

Section 4.4. Removal of Directors and Vacancies. Any Director may be removed, with cause (including but not limited to breach of fiduciary duty or breach of the duty of care), by the majority vote of the other Directors present at a regular or special meeting at which a quorum is present. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. In such a case, upon removal of a Director, a successor shall then and there be elected from the same Association as the removed Director by the remaining Directors to fill the vacancy for the remainder of the term of such removed Director.

Any Director who has three (3) consecutive unexcused absences from Master Board meetings or who is delinquent in the payment of any assessment or other charge due to the director's own sub-association or to the Master Association of more than thirty (30) days may be removed by a majority of the Master Board, and a successor from the same Association as the removed director may be appointed by the Master Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Master Board, and it may appoint a successor from the same Association as the director creating the vacancy who shall serve for the remainder of the term of such Director who is no longer serving.

Section 4.5. Annual Meetings of the Master Board of Directors. The first annual meeting of the Master Board of Directors (the "Annual Master Board Meeting") shall be held within thirty (30) days of the formation of the Master Association. Such Annual Master Board Meeting shall be held at such time and place as shall be fixed by a majority of the Directors. Subsequent regular Annual Master Board Meetings of the Master Board shall be set by the Master Board so as to occur at least thirty (30) days but not more than ninety (90) days before the close of the Master Association's fiscal year on a date and at a time set by the Master Board of Directors.

Section 4.6. Regular Meetings of the Master Board of Directors. Regular meetings of the Master Board may be held at such time and place as shall be determined from time to time by a majority vote of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) such meeting occurring in each calendar quarter. Notice of the time and place of each and any such regular meetings shall be communicated to each of the Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 4.7. Special Meetings of the Master Board of Directors. Special meetings of the Master Board shall be held when called by written notice signed by the President of the Master Association or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods:

- (a) by personal delivery;
- (b) by first class mail, postage prepaid;

(c) by verbal telephone communication, either directly or to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or

(d) by internet electronic mail transmission.

All such verbal telephone notices shall be given at the Director's telephone number as shown on the records of the Master Association. All such U. S. Mail notices shall be sent to the Director's street address as shown on the records of the Master Association. All such internet electronic mail notices shall be sent to the Director's electronic mail address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, by telephone or by electronic mail shall be delivered, telephoned or transmitted at least seventy-two (72) hours before the time set for the meeting.

Section 4.8. Waiver of Notice. The transactions of any meeting of the Master Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, which waiver need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends such a meeting without protesting before or at its commencement about the lack of adequate notice.

Section 4.9. Quorum of Master Board of Directors. At all meetings of the Master Board of Directors, the Directors representing a majority of the Members of the Master Board of Directors shall constitute a quorum for the transaction of business. If any meeting of the Master Board cannot be held because a quorum is not present, the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 4.10. Compensation of Directors. No Director shall receive any compensation from the Master Association for acting or otherwise serving as a member of the Master Board of Directors; provided any Director may be reimbursed for expenses incurred on behalf of the Master Association upon approval of a majority of the other Directors.

Section 4.11. Conduct of Meetings of the Master Board of Directors. The President shall preside over all meetings of the Master Board, and the Secretary shall keep a minute book of meetings of the Master Board, recording therein all resolutions adopted by the Master Board of Directors and all transactions and proceedings occurring at such meetings. Notwithstanding the presence and participation of the President and the Secretary of the Master Association at each and any such meeting of the Master Board, voting on matters being considered by the Master Board of Directors shall be limited to those individuals who are actually Directors of the Master Association.

Section 4.12. Action by the Master Board Without a Formal Meeting. Any action required or permitted to be taken at a meeting of the Master Board of Directors or any committee may be taken without a meeting if the action is approved by a majority of the entire Master Board in writing or via email. If an action is approved via writing or email, evidence of the written or email approval must be made a part of the corporate Master Board minutes or records. However, failure to keep documentation of the approval does not automatically invalidate the decision.

Section 4.13. Powers of the Master Board of Directors. The Master Board of Directors shall be responsible for the affairs of the Master Association, including without limitation maintaining and keeping in good repair the Master Common Areas, and shall have all of the powers and duties necessary for the administration of the Master Association's affairs.

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

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

- (a) preparation and adoption of annual budgets in which there shall be established the amount of general and special assessments or other amounts to be contributed by the Village Pines Association and the Pines of Greenwood Association to the Master Common Areas Expenses;

- (b) making assessments to the Members within The Pines to defray the Master Common Areas Expenses and establishing the means and methods of collecting such assessments;

- (c) providing for the management, operation, care, upkeep, and maintenance of all of the Master Common Areas;

- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Master Association and the maintenance, operation, repair, and replacement of its property and the Master Common Areas, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Master Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;

- (f) making and amending rules and regulations for use of the Master Common Areas,

(g) making and amending rules and regulations and establishing fees for use of the Master Common Areas by non-Members, including third party rental of the Master Common Areas, if the Directors' determine that allowing such use and/or rental of the Master Common Areas is in the best interest of the Master Association;

(h) opening of bank accounts on behalf of the Master Association and designating the signatories required (to the extent that the Master Association does not utilize the services of a manager or managing agent to collect and disburse all funds for and on behalf of the Master Association);

(i) making or contracting for the making of repairs, additions, and improvements to or alterations of the Master Common Areas in accordance with other provisions of these Bylaws after damage or destruction by fire or other casualty (to the extent that the Master Association does not utilize the services of a manager or managing agent to provide these services for the Community);

(j) enforcing by legal means the provisions of these Bylaws, 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 Master Association;

(k) obtaining and carrying insurance including a Directors and officers policy against casualties and liabilities, and paying the premium costs thereof (to the extent that the Master Association does not utilize the services of a manager or managing agent to procure and provide such insurance coverage);

(l) paying the cost of all services rendered to the Master Association or the Members (to the extent that the Master Association does not utilize the services of a manager or managing agent to perform such obligations);

(m) keeping books with detailed accounts of the receipts and expenditures affecting the Master Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred (to the extent that the Master Association does not utilize the services of a manager or managing agent to perform such obligations);

(n) making available upon proper request to any prospective purchaser of a Lot, any Member of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Articles of Incorporation, these Bylaws, any rules governing the Master Association, and all other books, records, and financial statements of the Master Association; and

(o) permitting utility suppliers to use portions of the Master Common Areas reasonably necessary to the ongoing development or operation of the Master Common Areas.

Section 4.14. Management. The Master Board of Directors shall employ for the Master Association a professional management agent or agents at a compensation established by the Master Board of Directors to perform such duties and services as the Master Board of Directors

shall authorize. The Master Board of Directors may delegate to the managing agent or manager, subject to the Master Board's supervision, all of the powers granted to the Master Board of Directors by these Bylaws, other than the powers set forth in Section 4.13(f) of this Article. Any contract for management services may be no longer than three (3) years in length and must be terminable by either party, with or without cause, and without any termination penalty, on no more than thirty (30) days advanced written notice. The management company hired by the Master Association cannot also serve contemporaneously as the property management company for either sub-association unless unanimously approved by the Master Board. No management agreement may be entered into with any resident of Village Pines or Pines of Greenwood or with the Village Pines Association or Pines of Greenwood Association.

Section 4.15. Rights of the Master Association. With respect to the Master Common Areas and in accordance with the Articles of Incorporation and these Bylaws, the Master Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Master Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other Members' or residents' associations, both within and without the Master Common Areas. Unless otherwise required by the Declaration, Articles or these Bylaws, such agreements shall require the vote or written consent, or any combination thereof, of the Directors representing a majority of the total vote.

Section 4.16. Budget. Pursuant to IC 32-25.5-3-2(d), the Master Association budget must be approved at a meeting of the Master Association Members by a majority vote of the Members in attendance at a duly called meeting. The budget should cover the estimated Master Common Areas Expenses of the Master Association during the coming year. The budget shall include a capital contribution maintaining a reserve fund in accordance with a budget separately prepared.

If quorum is not present at any meeting where the budget is to be voted upon, the Master Board may adopt a budget for the ensuing fiscal year using an annual Master Assessment that is one-hundred ten percent (110%) of the previous fiscal year's annual Master Assessment.

Section 4.17. Master Assessment and Expenses.

(a) Each fiscal year, the Master Board shall establish an annual budget prior to the beginning of each fiscal year setting forth the estimated Master Common Expenses for the coming fiscal year, together with allowances for reasonable contingencies and reserves. Responsibility for the Master Common Expenses for the maintenance and operation of the Master Common Areas and facilities shall be split evenly between The Pines of Greenwood and The Village Pines communities. Every fiscal year, the Owner of each Lot shall pay to the Master Association his pro-rata share of his community's one-half (1/2) share of the Master Common Expenses.

(b) The Master Board shall cause a copy of the Master Common Expenses budget and notice of the amount of the Master Assessment to be levied for the following year to be delivered to each Member in The Pines at least thirty (30) days prior to the beginning of the fiscal year. The Master Common Expenses to be funded by the Master Assessments may include, but shall not necessarily be limited to, the following:

- (i) management fees and expenses of administration;
- (ii) legal and accounting fees and expenses;
- (iii) utility charges for utilities serving the Master Common Areas;
- (iv) the cost of any policies of insurance required by these Bylaws, and such other insurance coverage as the Master Board determines to be in the interests of the Master Association and the Members;
- (v) the expenses of maintenance, operation, and repair of the Master Common Areas;
- (vi) ad valorem, real and personal property taxes assessed and levied against the Master Common Areas;
- (vii) the expenses of legal drain assessments;
- (viii) the expenses for conducting recreational, cultural, or other related programs for the benefit of the Members and their families, guests, and invitees;
- (ix) the expenses of independent contractors and employees of the Master Association, including without limitation the expenses of independent contractors and employees of the Master Association who provide services in connection with the Master Common Areas;
- (x) the expenses for enforcing the rules and regulations adopted by the Master Association regarding the use of the Master Common Areas by Members and their families, guests, and invitees;
- (xi) such other expenses as may be determined from time to time by the Master Board to be Master Common Expenses; and
- (xii) the establishment and maintenance of a reasonable reserve fund or funds (a) for inspections, maintenance, repair, and replacement of those portions of the Master Common Areas which must be inspected, maintained, repaired, or replaced on a periodic basis, (b) to cover emergencies and repairs required as a result of casualties which are not funded by proceeds, and (c) to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Master Board.

Section 4.18. Master Special Assessment. In addition to the annual assessments authorized above, the Master Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement to the Master Common Areas which the Master Association may from time to time incur; or to cover any operating deficits that may occur should the Master Board of Directors determine at any time during the fiscal year that the regular Master Assessments levied for that year are insufficient to pay for the Master Common Expenses of the Master Association for that fiscal year. The Master Board of Directors must approve a Master Special Assessment by a unanimous vote of the Master Board of Directors, and the Master Special Assessment must not be in an amount greater than \$500.00 per year for each Member. A Master Special Assessment shall be due and payable on the dates(s) determined by the Board of Directors.

Section 4.19. Failure to Pay Assessments. Responsibility for the Master Assessment and any Master Special Assessment is the personal obligation of each owner. If any Master Assessment or Master Special Assessment owed to the Master Association is not paid within thirty (30) days of the due date as set by the Master Association Board, the assessment shall bear reasonable interest and late fees as set by the Master Association Board. The Master Board shall have the right to determine the amount of the late fees, the time period before the late fees are imposed, the rate of the late fees (i.e. annually, monthly, etc.) and to make any other provisions for late fees and interest charges on late payments as the Master Board, in its sole discretion, deems appropriate. The Master Board may also adopt specific collection procedures to be used in collecting assessments and pursuing delinquent accounts.

If the Master Association incurs administrative fees or expenses as a result of collecting delinquent amounts, the Owner(s) shall be obligated to reimburse the Master Association these fees.

The Master Association may bring an action at law against any delinquent Owner obligated to pay the Master Assessment or Master Special Assessments. If the Master Association employs legal counsel to pursue the collection of unpaid amounts owed to the Master Association, the delinquent Owner shall be obligated to reimburse the Master Association any collection costs or expenses for the sending of collection letters or other correspondence or communication prior to the filing of legal action, the cost of preparing and filing the complaint in such action, plus interest and late fees on any assessment as above provided, as well as reasonable attorneys' fees, together with the costs of the action.

Section 4.20. Non-Liability of Directors. The Directors shall not be liable to the Members or any other Persons 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 Master Association shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Master Board on behalf of the Master Association, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Master Association.

Section 4.21. Additional Indemnity of Directors. The Master Association shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Master 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 therein, 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 Director is liable for gross negligence or misconduct in the performance of his duties. The Master Association shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Members that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Master Association or statements or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Master Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Master Board.

ARTICLE V

OFFICERS

Section 5.1. Officers. The officers of the Master Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Master Board. The Master Board of Directors may also appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Master Board. Except for the offices of President and Secretary, any two (2) or more offices may be held by the same person.

Section 5.2. Election, Term of Office, and Vacancies. The officers of the Master Association shall be elected annually by the Master Board of Directors at the first meeting of the Master Board of Directors as herein set forth in Article IV. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Master Board for the unexpired portion of the term.

Section 5.3. Removal. An officer may be removed with or without cause by a majority vote of the Master Board whenever in its judgment the best interest of the Master Association will be served thereby. A Director removed from a particular office shall continue to serve on the Master Board, and may be re-appointed to a different office or may serve on the Master Board without an officer designation.

Section 5.4. Powers and Duties. The officers of the Master Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Master Board. The President shall be the chief executive officer of the Master Association. The Vice President shall perform the duties of the President when the President is unable to perform such duties. The Secretary shall have the care and custody of the corporate records, shall attend all meetings of the Master Board and shall keep, or cause to be kept in a book provided for such purpose, a true and complete record of the proceedings of such meetings when required. He shall also attend to the giving and serving of all notices of the Master Association. The Treasurer shall have primary responsibility for the care and investment of the Master Association's funds and for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5.5. Resignation. Any officer may resign at any time by giving written notice to the Master Board, 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 5.6. Agreements, Contracts, Deeds, Leases, Checks. All agreements, contracts, deeds, leases, checks, and other instruments of the Master Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Master Board of Directors.

ARTICLE VI

COMMITTEES

Section 6.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority vote of the Master Board. Each committee shall operate in accordance with the terms of the resolution of the Master Board designating the committee or with rules adopted by the Master Board.

ARTICLE VII

INSURANCE AND CASUALTY LOSSES

Section 7.1. Insurance.

(a) **Required Coverages.** The Master Association, acting through its Master Board or its duly authorized agent, shall obtain and continue in effect the following types

of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

- (i) Blanket property insurance covering “risks of direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Master Common Areas. If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. All property insurance policies obtained by the Master Association shall be written on a replacement cost basis and include ordinance and law coverage for both real and personal property;
- (ii) Commercial general liability insurance on the Master Common Areas, insuring the Master Association, Village Pines Association, Pines of Greenwood Association, and the Members for damage or injury caused by the negligence of the Members, Village Pines Association, Pines of Greenwood Association, or the Master Association or any of the Master Association’s employees, agents, or contractors while acting on behalf of the Master Association. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Master Association shall obtain such additional coverages or limits;
- (iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;
- (iv) Directors and officers liability coverage;
- (v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Master Association funds in an amount determined in the Master Board’s business judgment but not less than an amount equal to one-sixth of the annual Master Common Areas Expenses, plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and
- (vi) Such additional insurance as the Master Board, in the exercise of its business judgment, determines advisable.

Premiums for all insurance listed above shall be Master Common Areas Expenses.

(b) Policy Requirements. The Master Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in Johnson County,

Indiana. All Master Association policies shall provide for a certificate of insurance to be furnished to the Master Association and, upon request, to the Village Pines Association, the Pines of Greenwood Association, or any Member.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.1(a). In the event of an insured loss, the deductible shall be treated as a Master Common Areas Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Master Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Members, their guests, invitees, or lessees, then the Master Board may assess the full amount of such deductible against such Member(s) and their Lots.

All insurance coverage obtained by the Master Board shall:

- (i) be written with a company authorized to do business in Indiana and having an A.M. Best rating of not less than A-VII;
- (ii) be written in the name of the Master Association as trustee for the benefited parties. Policies on the Master Common Areas shall be for the benefit of the Master Association, the Village Pines Association, the Pines of Greenwood Association, and the Members;
- (iii) not be brought into contribution with insurance purchased by Members, occupants, or their Mortgagees individually;
- (iv) contain an inflation guard endorsement;
- (v) include an agreed amount endorsement, if the policy contains a co-insurance clause;
- (vi) provide that each Member is an insured person under the policy with respect to liability arising out of such Member's interest as a member of the Village Pines Association or Pines of Greenwood Association in the Master Common Areas (provided, this provision shall not be construed as giving an Member any interest in the Master Common Areas other than that of a member of the Village Pines Association or the Pines of Greenwood Association); and
- (vii) provide a waiver of subrogation under the policy against any Member or occupant of a Lot.

In addition, the Master Board shall use reasonable efforts to secure insurance policies which name the Village Pines Association, the Pines of Greenwood Association, and the Members, collectively, as additional insureds and provide:

- (i) a waiver of subrogation as to any claims against the Master Board, the Village Pines Board of Directors, the Pines of Greenwood

Board of Directors, and the officers, employees, and managers of each of the foregoing associations, the Members and their tenants, servants, agents, and guests;

- (ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- (iii) an endorsement excluding Members' individual policies from consideration under "other insurance" clause;
- (iv) an endorsement requiring at least 30 days' prior written notice to the Master Association of any cancellation, substantial modification, or non-renewal, except that cancellation for non-payment of premium shall require only 10 days' prior written notice; and
- (v) a cross liability provision.

Section 7.2. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Master Common Areas covered by insurance written in the name of the Master Association, the Master Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance or obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Master Common Areas. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Master Common Areas to substantially the same condition in which it existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Master Common Areas shall be repaired or reconstructed unless the Master Board shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Master Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Master Common Areas shall not be repaired or reconstructed and no alternative improvements are authorized, then the affected portion of the Master Common Areas shall be restored to its natural state and maintained by the Master Association in a neat and attractive, landscaped condition.

Section 7.3. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed for payment of such

repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Master Common Areas shall be retained by and for the benefit of the Master Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds shall be retained by and for the benefit of the Master Association and placed in a capital improvements account.

Section 7.4. Repair and Reconstruction. If the damage to the Master Common Areas for which proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Master Board may levy a special assessment against the Membership for the difference in cost. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE VIII

CONDEMNATION

Section 8.1. Condemnation of Master Common Areas. Whenever all or any part of the Master Common Areas shall be taken (or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation), the award made for such taking shall be payable to the Master Association, to be disbursed as follows.

(a) If the taking involves a portion of the Master Common Areas on which improvements have been constructed, the Master Association shall restore or replace such improvements so taken on the remaining land included in the Master Common Areas to the extent lands are available therefore, in accordance with plans approved by the Master Board. If such improvements are to be repaired or restored, the provisions in these Bylaws regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

(b) If the taking does not involve any improvements on the Master Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Master Association and used for such purposes as the Master Board shall determine.

ARTICLE IX

RULES AND REGULATIONS

Section 9.1. Rules and Regulations. The Master Board shall have the authority to promulgate, adopt, revise, amend, and alter from time to time such additional rules, regulations, policies, procedures and guidelines governing the use, occupancy, operation, and enjoyment of the Master Common Areas, including the personal conduct of the Members and guests thereon,

as in the sole discretion of the Master Board are deemed necessary or advisable. Copies of the rules and regulations and amendments thereto adopted by the Master Board from time to time shall be furnished by the Master Association to all Members or posted in a conspicuous location at the Master Common Areas prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Members, their families, guests, invitees, servants and agents, until and unless any such rule or regulation is specifically overruled, cancelled, or modified by the Master Board.

ARTICLE X

MISCELLANEOUS

Section 10.1. Fiscal Year. The fiscal year of the Master Association shall be set by resolution of the Master Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 10.2. Enforcement In General. The Master Association may proceed at law or in equity to prevent the occurrence or continuation of any violation of these Bylaws, or any rules, regulations, policies, procedures or guideline adopted thereto, but the Association shall not be liable for damages of any kind, including legal fees and costs, to any person for failing to enforce or carry out any of the provisions of these Bylaws. If the Master Association takes any action to enforce any provision or restriction in these Bylaws or the rules and regulations, including, but not limited to, the preparing and sending of violation letters, towing of vehicles, self-help or legal action filed in the courts, then the Master Association shall be entitled to reimbursement of all its costs and expenses, including, but not limited to reasonable attorney fees, administrative charges by a management agent, and court costs, of said enforcement activity or action from the party or parties in violation of said Bylaw, rule or regulation.

Section 10.3. Conflicts. If there any conflicts between the Declarations, the Articles and the Bylaws, the provisions of the Declarations, the Articles and the Bylaws (in that order) shall prevail.

Section 10.4. Books and Records.

(a) **Inspection by Members.** The Bylaws, Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the Master Association, books of account, and minutes of meetings of the Master Board and committees shall be made available for inspection and copying (at a reasonable cost) by the Master Association to Pines of Greenwood Association, Village Pines Association, any Member, or by the duly appointed representative of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Master Association at the office of the Master Association or at the offices of any management agent as the Master Board shall prescribe.

The Master Association reserves the right to require any Member requesting to inspect the accounts, books, records, financial statements, and other papers of the Master

Association to meet the requirements set forth under the Indiana Nonprofit Corporation Act of 1991, specifically Indiana Code 23-17-27 et seq., and any amendments or re-codification subsequently adopted thereto. The Master Association reserves the right to deny any Member access to any records that are not required to be opened for inspection under Indiana law, or if the Master Association determines the Member's request; a) was not made in good faith or for a proper purpose; b) the member fails to describes with reasonable particularity the purpose and the records the member desires to inspect; or c) the records requested are not directly connected to the stated purpose for the request.

(b) **Rules for Inspection.** The Master Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) **Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Master Association and the physical properties owned or controlled by the Master Association. The right of inspection by a Director includes the right to make copies of relevant documents at the expense of the Master Association, such expense to be reasonable.

Section 10.5. Amendment. These Bylaws may be amended upon the affirmative vote or written consent, or any combination thereof, of a majority of all Members of the Master Board.

Notwithstanding the foregoing, Section 4.17 of these Bylaws may be amended only with (a) the affirmative vote or written consent, or any combination thereof, of Members representing two-thirds (2/3) of the Total Votes in the Village Pines Association and of Members representing two-thirds (2/3) of the Total Votes in the Pines of Greenwood Association.

The undersigned hereby certifies that this Code of Bylaws of The Pines Master Association, Inc. was duly moved and passed by a majority vote of the Board of Directors of said Master Association.

THE PINES MASTER ASSOCIATION, INC.

President, The Pines Master Association

Date

Attest:

Secretary, The Pines Master Association

Date