

AMENDED AND RESTATED CODE OF BY-LAWS
OF
CHESAPEAKE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
Identification

Section 1.1. Name. The name of the corporation is "Chesapeake Homeowners' Association, Inc." (hereinafter referred to as "the Association").

Section 1.2. Mailing Address and Registered Agent. The mailing address of the Association is P.O. Box 36400, Indianapolis, Indiana 46236. The name and street address of the Association's registered agent and registered office for service of process shall be as designated from time to time by the Board of Directors, and shall be on file with the Indiana Secretary of State's Office.

Section 1.3. Fiscal Year. The fiscal year of the Association shall begin at the beginning of the first day of January in each year and end at the close of the last day of December next succeeding.

ARTICLE II
Purposes and Powers

Section 2.1. Purposes. The Association is formed as a homeowners association in connection with the development of Chesapeake, a residential subdivision being developed in Marion County, Indiana, evidenced by a plat or plats recorded in the office of the Recorder of Marion County, Indiana (hereinafter referred to as "Chesapeake") and, in furtherance of such general purpose, shall have the following specific purposes:

(a) To provide for the management, regulation and maintenance of certain common areas and improvements hereafter constructed within Chesapeake, such purposes being more particularly specified in a certain Declaration of Covenants and Restrictions of Chesapeake (hereinafter referred to as the "Declaration"), as recorded in the office of the Recorder of Marion County, Indiana, the definitions, terms and conditions thereof and legal description contained therein being incorporated herein by reference.

(b) To exercise all powers and duties of the Board of Directors referred to in the Declaration.

(c) To do all acts and things necessary, convenient or expedient to carry out the express purpose for which the Association is formed.

Section 2.2. Powers. Subject to any specific written limitations imposed by the Act, or

by the Articles of Incorporation or by this Code of By-Laws, and in furtherance of the purposes set forth in Section 1 of this Article, the Association shall have all the statutory powers specified in Section 4 of the Act.

Section 2.3. Limitation Upon Purposes and Powers. The Association shall not, by implication or construction, possess the power of engaging in any activities for the purpose of or resulting in the pecuniary remuneration to its members as such; provided, however, that nothing shall prohibit reasonable compensation to members of services actually rendered, upon approval by the Board of Directors, nor shall the Association be prohibited from engaging in any undertaking for profit so long as such undertaking does not inure to the profit of its members. The Association shall issue no stock and shall pay no dividends at any time.

ARTICLE III

Association Members

Section 3.1. Membership. Every Owner shall be a member of the Association. Each Owner shall be entitled to one (1) vote for each Lot owned.

Section 3.2. Place of Meeting. All meetings of members of the Association shall be held at such place within Marion County, Indiana, as may be determined by the Board of Directors and specified in the notices or waivers of notice thereof or proxies to represent members at such meetings.

Section 3.3. Annual Meetings. The annual meetings of members shall be held within the month of October of each year, with the specific date, time and location to be determined by the Board of Directors.

Section 3.4. Special Meetings. A special meeting of the members of the Association may be called by the President, by resolution of the Board of Directors or upon a written petition of the Owners of not less than ten percent (10%) of the total number of Lots. The 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 3.5. Notice of Meetings. Written notice stating the date, time, and place of any meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. Any written notice delivered to the members as part of a newsletter or other publication regularly sent to the members constitutes a written notice. If at any meeting an amendment to the Declaration, the Articles of Incorporation, or these By-Laws is to be considered, the notice of such meeting shall describe the nature of such proposed amendment. All notices shall be mailed by first-class U.S. Mail, postage prepaid, or delivered to the members at their respective addresses as the same shall appear upon the records of the Association. If an annual or special meeting of members is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting pursuant to the Act before adjournment. Attendance at any meeting in person or by proxy shall constitute

a waiver of notice of such meeting.

Section 5.6. Voting at Meetings.

(a) Voting Rights. Each member shall be entitled to cast one (1) vote for each Lot of which such member is the Owner. When more than one (1) person or entity constitutes the Owner of a particular Lot, all such persons or entities shall be members of the Association, but all of such persons or entities shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot

(b) Proxies. An Owner may vote either in person or by his or her duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate his or her attorney-in-fact in writing, delivered to the Secretary of the Association prior to the commencement of the meeting. No such proxy shall remain valid for longer than eleven (11) months from the date of its execution, unless a longer term is specified in the proxy. In any meeting for electing the Board of Directors, each Owner shall be permitted to cast the number of votes to which he is entitled for each Director of the Association to be elected at such meeting.

(c) Quorum and Adjournments. The presence in person or by proxy of the Members constituting the representation of at least fifteen percent (15%) of the 184 Lots shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of the Members having a majority of the total votes cast at such meeting. Any meeting of the Members, including both annual and special meetings and any adjournments thereof, may be adjourned to a later date without notice other than announcement at the meeting even though less than a quorum is present.

Section 3.7. List of Members. At least five (5) days before each meeting of Members, the Secretary shall prepare or cause to be prepared a complete list of the Members of the Association entitled to vote at such meeting arranged in alphabetical order with the address of the Association and shall be subject to inspection by any Owner.

Section 3.8. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, if prior to such action, a written consent thereto, setting forth the action so taken, is signed by all the Members entitled to vote with respect to the subject matter thereof, and such written consent is filed with the subject matter thereof, and such written consent is filed with the minutes of the proceedings of the Members. Such consent shall have the same effect as a unanimous vote of the Members.

Section 3.9. Written Ballots. In lieu of any annual or special meeting of the Members, written ballots may be utilized in the manner prescribed in the Act.

ARTICLE IV

Board of Directors

Section 4.1. Number, Term of Office and Qualifications. The Board of Directors shall consist of five (5) members, each of whom must be an Owner and maintain his or her principal residence on a Lot. Directors shall serve without compensation unless such compensation is approved by the Members holding a majority of the total votes. The Board shall be elected by the Members at the Association's annual meeting and shall hold office until the next ensuing annual meeting or until their successors have been duly elected and qualified. If a member of the Board of Directors shall cease to meet any qualification herein required for a member of the Board, such member shall thereupon cease to be a member of the Board and his or her place on the Board shall be deemed vacant. The Members may remove any member of the Board with or without cause, and elect a successor at a meeting of the Members called expressly for such purpose.

Section 4.2. Vacancies. Vacancies occurring in the membership of the Board of Directors caused by resignation, death or other incapacity, or increase in the number of members of the Board shall be filled by a majority vote of the remaining members of the Board, and each member so elected shall serve until the next meeting of the Members, or until his or her successor shall have been duly elected and qualified. Notice specifying any increase in the number of members of the Board and the name, address and principal occupation of and other pertinent information about any member elected to fill any vacancy shall be given in the next mailing sent to the Members after such increase or election.

Section 4.3. Annual Meetings. The Board of Directors shall meet annually, without notice, immediately following, and at the same place as, the annual meeting of the Members.

Section 4.4. Regular Meetings. Regular meetings shall be held at such times and places within Marion County as may be determined by the President or Board of Directors.

Section 4.5. Special Meetings. Special meetings of the Board of Directors may be called by the President or by two (2) or more members of the Board, at any place within or without the State of Indiana, upon twenty-four (24) hours notice, specifying the time, place and general purposes of the meeting, given to each Director personally, by telephone; or notice may be given by mail if mailed at least three (3) days before such meeting.

Section 4.6. Waiver of Notice. Any member of the Board of Directors may waive notice of any meeting in writing. Attendance by a member of any meeting shall constitute a waiver of notice of such meeting.

Section 4.7. Quorum. A majority of the entire Board of Directors then qualified and acting shall constitute a quorum and be sufficient for the transaction of any business, except for filling of vacancies in the Board of Directors which shall require action by a majority of the remaining members of the Board. Any act of the majority of the members of the Board present at a meeting at which a quorum shall be present shall be the act of the Board unless otherwise provided for by law or by these By-Laws. A majority of the members present may adjourn any meeting from time to time. Notice of an adjourned meeting need not be given other than by

announcement at the time of the adjournment.

Section 4.8. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if prior to such action, a written consent thereto is signed by all the members of the Board of such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board.

Section 4.9. Standards of Conduct and Liability of Directors and Officers. The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Association shall be as set forth in the Act, as the same may be amended from time to time.

ARTICLE V

Officers

Section 5.1. Number of Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer, and such officers or assistant officers as the Board shall from time to time create and so elect. Any two (2) or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person. The President shall be chosen from among the members of the Board. Officers shall serve without compensation unless such compensation is approved by the Members holding a majority of the total votes.

Section 5.2. Election and Terms. Each officer shall be elected by the Board of Directors at the annual meeting of the Board or until his or her successor shall have been elected and qualified or until his or her death, resignation or removal. Any officer may be removed at any time, with or without cause, by vote of a majority of the whole Board, but such removal shall be without prejudice to the contract rights, if any, of the person so removed; provided, however, that election of an officer shall not of itself create contract rights.

Section 5.3. Vacancies. Whenever any vacancy shall occur in any office by death, resignation, increase in the number of officers of the Association, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office until the next annual meeting of the Board or until his or her successor is duly elected or appointed.

Section 5.4. President. The President shall be the chief executive officer of the Association; shall preside at all meetings of Members and of the Board of Directors; shall have general and active supervision, control and management of the affairs and business of the Association, subject to the orders and resolutions of the Board; shall have general supervision and direction of all officers, agents and employees of the Association; shall see that all orders and resolutions of the Board are carried into effect; and in general shall exercise all powers and perform all duties incident to such office and such other powers and duties as may from time to time be assigned to him or her by the Board.

The President shall have full authority to execute proxies in behalf of the Association, and to execute, with the Secretary, powers of attorney appointing other associations,

corporations, partnerships, or individuals the agent of the Association, all subject to the provisions of the laws of the State of Indiana, the Declaration, and this Code of By-Laws.

Section 5.5. Secretary. The Secretary shall attend all meetings of the Board and of the Members and shall act as Secretary of such meetings; shall give or cause to be given all notices provided for in these By-Laws or required by law; shall record all votes and the minutes of all proceedings of the meetings of Members and the Board in a book or books to be kept for that purpose; shall be custodian of the records of the Association; and in general, shall exercise all powers and perform all duties as may be from time to time assigned to him or her by the Board or by the President.

Section 5.6. Treasurer. The Treasurer shall keep correct and complete records of account showing accurately at all times the financial condition of the Association Funds; shall immediately deposit, in the name and to the credit of the Association, all moneys and other valuable effects of the Association in such depositories as may be designated by the Board of Directors; shall disburse the funds of the Association as may be ordered by the Board or by the President; and in general shall exercise all powers and perform all duties customarily incident to such office and such other powers and duties as may from time to time be assigned to him or her by the Board or by the President.

ARTICLE VI

Books and Records

Section 6.1. Books and Records, in General. The Board of Directors shall keep full and correct books of account in chronological order of the receipts and expenditures affecting Chesapeake, specifying and itemizing the maintenance and repair expenses of the Properties and other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement in recordable form of his or her account setting forth the amount of any unpaid assessment or other charges due and owing from such Owner, and such amount shall be binding upon the Board and the Association, and any mortgagee or grantee of such Owner furnished with such statement shall not be liable for, and the Lot of such Owner shall not be conveyed subject to a lien for, any unpaid assessment in excess of the amount set forth in such statement.

ARTICLE VII

Execution of Instruments

Section 7.1. Checks, Drafts, etc. All checks, drafts, bills of exchange or other orders for the payment of money, obligations, notes or other evidences of indebtedness of the Association shall be signed or endorsed by such officer or officers, employee or employees of the Association as shall from time to time be designated by the Board of Directors.

Section 7.2. Contracts. All contracts, agreements, deeds, conveyances, mortgages and

similar instruments authorized by the Board of Directors shall be signed, unless otherwise directed by the Board of Directors or required by law, by the President and attested by the Secretary.

ARTICLE VIII

Amendments and Definitions

Section 8.1. Amendments. These By-Laws may be altered, amended or repealed from time to time by a majority vote of the whole Board at any regular or special meeting if the notice or waiver of notice of said meeting shall have stated that the By-Laws are to be amended, altered or repealed or if all members of the Board of Directors at the time are present at said meeting.

Section 8.2. Definitions. The terms used in these By-laws shall have the same meaning as the same terms as defined and used in the Declaration.

ARTICLE IX

The Indiana Nonprofit Corporation Act of 1991

The provisions of the Indiana-Nonprofit Corporation Act of 1991, as amended, applicable to any of the matters not herein specifically covered by these By-Laws, are hereby incorporated by reference in and made a part of these By-Laws.

ARTICLE X

Indemnification

Section 10.1. Indemnification of Directors and Officers. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director or officer of the Association shall be indemnified by the Association to the same and fullest extent that directors of nonprofit corporations are indemnified under the Indiana Nonprofit Corporation Act of 1991, as it now exists or as hereinafter amended.