

**BYLAWS OF
PRINCETON WOODS
HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

IDENTIFICATION AND APPLICABILITY

Section 1.01. Identification and Adoption. These Bylaws are adopted to govern Princeton Woods Homeowners Association, Inc. ("**Corporation**") in the conduct of its activities and duties pursuant to the Articles of Incorporation of the Corporation (together with any subsequent amendments, the "**Articles**"), and the Declaration of Covenants, Conditions and Restrictions for Princeton Woods, dated September 28, 2005 and recorded in the Office of the Hamilton County Recorder ("**Declaration**"). The Declaration is incorporated herein by reference and all of the covenants, conditions, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these Bylaws. The definitions and terms as defined and used in the Declaration have the same meanings in these Bylaws unless otherwise specifically defined herein, and reference is hereby made to the definitions in the Declaration. The provisions of these Bylaws shall apply to the administration and conduct of the affairs of the Corporation. The term "**Association**", in the Declaration is synonymous with the term "**Corporation**", used herein.

Section 1.02. Individual Application. All of the Owners, tenants, their guests and invitees, or any other person who might now or hereafter use or occupy any portion of the property that is subject to the Declaration shall be subject to the rules, restrictions, terms and conditions set forth in the Master Declaration, the Declaration, the Articles, these Bylaws, and the Indiana Nonprofit Corporation Act of 1991, as the same may be amended from time to time (the "Act").

Section 1.03. Membership. The Members of the Corporation shall be the Owners. A Member shall be deemed to be in good standing so long as he, she or it remains in compliance with the covenants and obligations of an Owner under the Master Declaration and the Declaration, or as otherwise determined by the Board of Directors (herein collectively called the "**Board of Directors**" and individually called "**Directors**").

ARTICLE II

MEETINGS OF THE MEMBERS

Section 2.01. Annual Meeting. The annual meeting shall be held on the first Tuesday of November, or at such other time as may be determined by the Board of Directors. At each annual Meeting, the Members shall elect the Board of Directors in accordance with the provisions of these Bylaws, approve the annual budget, provide for the collection of Assessments (as hereinafter defined) and transact such other business as may be required by the Master Declaration, the Declaration, these Bylaws, the Act or as may properly come before the Members at such meeting.

Section 2.02. Special Meetings. A special meeting of the Members of the Corporation may be called by a majority of the Board of Directors, the President, or upon a written petition of the Owners of not less than twenty-five percent (25%) of the Votes (as hereinafter defined). The resolution or petition shall be presented to the President or Secretary of the Corporation 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 resolution or petition.

Section 2.03. Notice and Place of Meetings. Written notice stating the date, time, and place of any meeting of the Members, and, in the case of special meetings or when otherwise required by law, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Corporation to each Member and, if applicable, to any Mortgagee (as hereinafter defined) not less than ten (10) days prior to the date of such meeting. If at any meeting an amendment to the Declaration or these Bylaws is to be considered, the notice of such meeting shall describe the nature of such proposed amendment. The notice 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 Corporation, and by first class U.S. Mail to the Mortgagees at their respective addresses as they shall appear on the records of the Corporation. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting. Furthermore, notice of any meeting may be waived by any Member in writing filed with the Secretary of the Corporation.

Section 2.04. Voting.

(a) Two Classes of Ownership. The Corporation shall have two (2) classes of Members, as set forth in the Declaration, and the Articles.

(b) Number of Votes. Each Member shall be entitled to cast votes (each, a **"Vote"** and collectively, the **"Votes"**) as specified in the Declaration and as further specified below.

(c) Multiple Ownership. When the owner of a portion of Real Estate is comprised of more than one person or entity (each, a **"Co-Owner"**), there shall be only one voting representative entitled to cast the Votes allocable to that Real Estate. The Votes for such Real Estate shall be exercised by the person whom the Co-Owners with respect to such Real Estate may designate. If one of the Co-Owners casts the Votes allocable to its Real Estate, the Votes bind all Co-Owners of such Real Estate. In no event shall Co-Owners split their voting interest into fractional Votes; in other words, Co-Owners of Real Estate must cast all Votes allocable to such Real Estate in the aggregate only. The aggregate Votes of Co-Owners of Real Estate may be cast by any one of them unless an objection or protest is made by one of the Co-Owners, in which case the aggregate Votes of all Co-Owners of the Real Estate in question shall not be counted. In addition, the Corporation may reject a vote, consent, waiver or proxy appointment if there is a reasonable basis to doubt the validity of a signature or the signatory's authority.

(d) Voting by Corporation or Trust. When a corporation or trust is an Owner or is otherwise entitled to one or more Votes, the trustees may cast the Votes on behalf of the trust and the agent or other representative of the corporation duly empowered by the board of directors of such corporation shall cast the Votes to which the corporation is entitled.

(e) Proxy. A Member may vote either in person or by his, her or its duly authorized and designated attorney-in-fact. When voting is by proxy, the Member shall duly designate his, her or its attorney-in-fact in writing, and deliver the proxy designation and proxy to an officer of the Corporation prior to the commencement of the meeting.

(f) Quorum. Except where otherwise expressly provided in the Declaration, these Bylaws, the Articles or the Act, the presence of Members or their duly authorized representatives holding in excess of twenty five percent (25%) of the total Votes entitled to be cast shall constitute a quorum at all meetings. The term "majority of Members", as used in these Bylaws, shall mean unless otherwise expressly indicated, more than fifty percent (50%) of the total Votes as determined by the applicable provisions set forth in the Declaration, and the term "majority of the vote" shall mean more than fifty percent (50%) of the total Votes present or represented at such meeting.

(g) Conduct of Meeting. Meetings of Members, including the order of business, shall be conducted in accordance with Roberts Rules of Order, Revised, except insofar as the Articles, these Bylaws, or any rule adopted by the Board of Directors or Members may otherwise provide. The Members present at such meeting may, by unanimous consent, waive the requirements of this Section 2.04(g), but such waiver shall not preclude any Member from invoking the requirements of this Section 2.04(g) at any subsequent meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Number and Qualification. Until the Authority Transfer Date, the affairs of the Association shall be governed by the Initial Board of Directors and shall consist of not fewer than three (3) members nor more than five (5) members. After the Authority Transfer Date, the Board of Directors shall consist of five (5) members.

Section 3.02. Additional Qualifications. Where an Owner consists of more than one person, or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner or partner, officer or trustee, as the case may be, of the partnership, corporation, trust or other entity, Owner shall be eligible to serve on the Board of Directors of the Association, except that no Lot may be represented on the Board of Directors by more than one person at a time.

Section 3.03. Initial Board of Directors. The initial Board of Directors named in the Articles of Incorporation (the "Initial Board") shall maintain, manage and administer the affairs and the property of the Association until the Authority Transfer Date.

Section 3.04. Term of Office Generally. Such Directors shall hold office until the next annual meeting of members, or until their successors are elected, or until they are removed or resign.

Section 3.05. Duties. The Board of Directors shall have the following duties:

- A. To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by members holding twenty-five percent (25%) of the total votes of the membership entitled to vote;
- B. To supervise all officers, agents and employees of the Association;
- C. To establish the annual assessment period and fix the amount of the annual assessment against each member for each Lot owned, all in accordance with the terms of the Declaration and these Bylaws;
- D. To fix the amount of any special assessment against each member for each Lot owned, all in accordance with the terms of the Declaration and these Bylaws;
- E. To send written notice of each assessment to each Owner in accordance with the Declaration;
- F. To foreclose the Association's lien for assessments against any property for which assessments are not paid within thirty (30) days after the due date thereof or to bring an action at law against the Owner or other person personally obligated to pay the same;
- G. To issue, or to cause an appropriate officer to issue, upon demand by any person or entity, a certificate setting forth whether or not any assessment has been paid;
- H. To procure and maintain the insurance coverages required by the Declaration and such other insurance coverages as the Board of Directors, in its sole discretion, deems necessary or advisable;
- I. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, and at least as required by the Declaration; and,
- J. To cause all of the Common Areas and all easements hereunder, including but not limited to Lake Easements, Landscape Easements, Drainage Easements, and Utility Easements to be maintained to the extent to the Association's responsibilities therefor as provided in the Declaration.

Section 3.06. Vacancies. Until the Authority Transfer Date any vacancy in the Board of Directors shall be filled by the Declarant. Thereafter, any vacancy in the Board of Directors shall be filled by vote of the majority of remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a director for the unexpired term of his predecessor, or until his successor is elected.

Section 3.07. Compensation. No Director shall receive compensation for any service he may render to the Association as such director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties, and any Director may be paid and compensated for services to the Association in a capacity other than as a director.

Section 3.08. Removal of Directors. Prior to the Authority Transfer Date, any Director(s) may be removed by the Declarant, with or without cause. After the Authority Transfer Date, Directors may be removed by members of the Association, with or without cause, if the number of votes cast to remove would be sufficient to elect the Directors at a meeting to elect Directors. After the Authority Transfer Date, a Director or Directors may be so removed by the Members only at a meeting called for the purpose of removing the Director(s). Any such meeting must state that the purpose of the meeting is for voting upon the removal of Director(s). In such case, the removed Director(s) successor(s) shall be elected at the same meeting to serve for the remainder of the term(s) of the removed Director(s).

Section 3.09. Regular Meetings. Regular meetings of the Board of Directors shall be held at such regular intervals, without notice, at such place and hour as may be determined from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 3.10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two-thirds (b) of the directors.

Section 3.11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent of the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which quorum is present shall be the acts of the Board of Directors except as otherwise provided in or required by the Declaration, Articles of Incorporation, these Bylaws or statute. If, at any meeting of the Board of Directors, there shall

be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.13. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IV

OFFICERS

Section 4.01. Officers of the Corporation. The principal Officers of the Corporation shall be the President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. The Officers of the Corporation shall be elected annually by a majority vote of the Board of Directors at the first meeting of the Board of Directors following each election thereof. Officers may serve unlimited consecutive terms. Upon recommendation of a majority of all Members of the Board of Directors and upon an affirmative vote of a majority of all Members, any Officer maybe removed either with or without cause.

Section 4.03. Vacancies. Whenever any vacancies shall occur in any of the offices of the Corporation for any reason, the same may be filled by a majority vote of the Board of Directors at any meeting thereof and any Officer so elected shall hold office until the expiration of the term of the Officer causing the vacancy and until a successor shall be duly elected and qualified.

Section 4.04. Compensation. No Officer shall receive any compensation for his or her services as such, except as may be fixed by action of the Board of Directors.

Section 4.05. President. The President shall be elected from among the Directors and shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Corporation and of the Board of Directors, and shall have and discharge all the general powers and duties usually vested in the office of the president or chief executive officer of a corporation or a stock corporation organized under the laws of Indiana.

Section 4.06. Vice-President. The Vice-President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice-President shall also perform such other duties as these Bylaws may prescribe or as shall, from time to time, be imposed upon him by the Board of

Directors or by the President.

Section 4.07. Secretary. The Secretary shall be elected from among the Members or Directors. The Secretary shall attend all meetings of the Corporation and of the Board of Directors and shall keep or cause to be kept a true and complete record of proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board of Directors. If required, the Secretary shall attest the execution by the Corporation of deeds, leases, agreements and other official documents. The Secretary shall specifically see that all notices of the Corporation or the Board of Directors are duly given, mailed or delivered, in accordance with the provisions of these Bylaws.

Section 4.08. Treasurer. The Board of Directors shall elect from among the Members or Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Corporation and such other duties incident to the office of Treasurer. The Treasurer shall be legal custodian of all monies, notes, securities, and other valuables, which may from time to time come into possession of the Corporation. The Treasurer shall immediately deposit all funds of the Corporation coming into the Treasurer's hands in a federally insured bank or other depository to be designated by the Board of Directors.

Section 4.09. Assistant Officers. The Board of Directors may from time to time designate and elect from among the Members an Assistant Secretary and Assistant Treasurer, who shall have such powers and duties as the Officers whom they are elected to assist shall delegate to them and such other powers and duties as these Bylaws or the Board of Directors may prescribe.

ARTICLE V

ACCOUNTING AND ASSESSMENTS

Section 5.01. Obligations of Owners. Each of the Owners shall automatically and mandatorily be Members in the Corporation and shall be entitled to all of the privileges and subject to all of the obligations thereof. All Owners, by acceptance of the deeds to the Real Estate owned by each of them, respectively covenant and agree to be bound by the conditions, restrictions, and obligations contained in the Articles, the Master Declaration, the Declaration, and the provisions of these Bylaws.

Section 5.02. Annual Accounting. Annually, and within six (6) months after the close of each calendar year, the Board of Directors shall cause a financial statement to be prepared, which statement shall show all receipts and expenses received, incurred, and paid by the Corporation during the preceding calendar year. Such statement need not be audited and shall be made available to Owners pursuant to Section 3.04 of these Bylaws.

Section 5.03. Annual Budget. The Board of Directors shall adopt an annual budget for each fiscal year as more particularly provided in the Declaration.

Section 5.04. Assessments. Owners shall pay Assessments as set forth in Article V of the Declaration or Article X of the Master Declaration.

Section 5.05. Status of Funds Collected by Corporation. All funds collected pursuant to this Article V shall be held and expended by the Corporation solely for the purposes designated herein, and, except for any Assessments that may be levied hereunder or under the Master Declaration and the Declaration against less than all of the Owners, and except for such adjustments as may be required to reflect delinquent or prepaid assessments, shall be deemed to be held for the use, benefit, and account of all of the Owners.

ARTICLE VI

NOTICES AND MORTGAGEES

Section 6.01. Notice to Corporation. Any Owner who places a first mortgage lien upon his, her or its Real Estate or the mortgagee thereof (a "**Mortgagee**") shall notify the Secretary of the Corporation and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary of the Corporation and any notice required to be given to the Mortgagee pursuant to the terms of the Master Declaration, the Declaration or these Bylaws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgages and the name and address of the Mortgagee are furnished to the Secretary, either by the Owner or by the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Master Declaration, the Declaration or these Bylaws shall be required, and no Mortgagee shall be entitled to vote on any matter on which it otherwise may be entitled to vote by virtue of the Master Declaration, the Declaration, these Bylaws or proxy granted to such Mortgagee in connection with the mortgage.

Section 6.02. Notice of Assessments. Upon ten (10) days' written notice to the Corporation and the payment of a reasonable fee, the Corporation shall deliver to any Owner, Mortgagee, prospective Mortgagee, title insurance company, purchaser or other prospective transferee of any portion of Real Estate, a written statement setting forth the amount of all unpaid Assessments, if any, with respect to the subject Real Estate, together with the amount of the current Assessments and the date(s) such Assessments become due and payable. Any such written statement shall be binding upon the Corporation in favor of any person relying thereon in good faith.

Section 6.03. Financial Statements. The Corporation, upon the request of any Mortgagee, shall provide to said Mortgagee the most recent financial statement prepared on behalf of the Corporation pursuant to Section 5.02.

Section 6.04. Notices to Mortgagees. The Corporation shall promptly provide to any Mortgagee, of whom the Corporation has been provided notice under Section 6.01, notice of any of the following:

(a) Any condemnation or casualty loss that affects either a material portion of the Corporation property or the building(s) or improvements on any Real Estate securing its mortgage;

(b) Any delinquency in the payment of Assessments owed by the Owner of any Real Estate on which said holder, insurer, or guarantor holds a mortgage, if said delinquency continues for more than sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Corporation; and

(d) Any proposed action that requires the consent of a specified percentage of Mortgagees.

Section 6.05. Availability of Information. The Corporation shall keep and shall make available to prospective purchasers of Real Estate, upon request at reasonable business hours, copies of the Master Declaration, the Declaration, these Bylaws, current rules and regulations, if any, and the most recent financial statement of the Corporation.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Execution of Contracts and Other Documents. The Corporation shall have no seal. Unless otherwise ordered by the Board of Directors, all written contracts and other documents entered into by the Corporation shall be executed on behalf of the Corporation by the President, and, if required, attested by the Secretary.

Section 7.02. Fiscal Year. The fiscal year of the Corporation shall begin on January 1 of each year and end on the immediately following December 31.

ARTICLE VIII

AMENDMENT TO BYLAWS

These Bylaws may be amended in the same manner and to the same extent as the Declaration.