

BY-LAWS

COBBLER'S CROSSING HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

*ref. plat # 1231
recorded 7-16-03
200315624*

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Offices

The principal office of the Corporation shall be located in Cobbler's Crossing subdivision, County of Floyd, State of Indiana.

ARTICLE 2

Members

Section 2.1. Members. Every record owner of a lot in each section of Cobbler's Crossing shall be a Member of the Association as set forth in the Restrictions and Protective Covenants for Cobbler's Crossing as recorded in the records of the Recorder of Floyd County, Indiana. All Members of the Cobbler's Crossing Homeowners' Association prior to the Incorporation of the Association shall be Members by virtue of their membership in the prior entity.

Section 2.2. Voting Rights. Each Member in good standing shall be entitled to one vote on each matter submitted to a vote of the Members, except that each lot owner shall be entitled to only one vote regardless of multiple ownership.

Section 2.3. Resignation. Any Member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the Member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

Section 2.4. Transfer of Membership. Membership in this Corporation is not transferable or assignable except to a subsequent purchaser of a lot in Cobbler's Crossing.

ARTICLE 3

Meetings of Members

Section 3.1. Annual Meeting. An annual meeting of the Members shall be held at the residence of the Corporation's President or a duly designated site on the third Tuesday in the month of January in each year, beginning with the year 2002, at 7:00 p.m. or at a time otherwise mutually agreed upon, for the purpose of electing directors and officers and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of Indiana, such meeting shall be held on the next succeeding business day. If the election of directors or officers is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as is convenient.

Section 3.2. Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors, or not less than one-tenth (1/10) of the Members having voting rights at a place designated by the Board of Directors. If no designation is made, the place of meeting shall be the principal office of the Corporation in the State of Indiana, but if all of the Members shall meet at any time and place, either within or without the State of Indiana, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 3.3. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of Members shall be delivered either personally, or by mail, to each Member entitled to vote at such meeting, not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his/her address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 3.4. Informal Action by Members. Any action required by law to be taken at a meeting of the Members, or any action that may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Members entitled to vote with respect to the subject matter thereof.

Section 3.5. Quorum. Members holding twenty percent (20%) of the votes entitled to be cast on a matter at any meeting shall constitute a quorum. However, if a matter to be voted on is not described in the meeting notice, one-third (1/3) or more of the votes entitled to be cast are required to constitute a quorum. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice. A majority means a simple plurality of the Members present at the meeting.

Section 3.6. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his/her duly authorized attorney in fact. No proxy shall be valid after three (3) months from the date of its execution, unless otherwise provided in the proxy.

Section 3.7. Voting by Mail. Where Directors or Officers are to be elected by Members or any class or classes of Members, such election may be conducted by mail in such a manner as the Board of Directors may determine.

Section 3.8. Voting Rights. The voting rights of the Members shall be as prescribed in the Articles. In any election of Directors, no Member shall have the right to multiply the number of votes to which such Member may be entitled by the number of Directors to be elected. A majority of the votes cast at a meeting of the Members, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter that may properly come before the meeting

unless more than a majority of votes cast is required by law, the Restrictions and Protective Covenants, the Articles or these By-Laws.

Section 3.9. Multiple Owner. Where the Owner of a Lot constitutes more than one person, or is a partnership, there shall be only one voting representative entitled to cast the vote allocated to that Lot. Those persons constituting such Owner or the partners shall determine among themselves who shall be the voting representative for such Lot. In the event agreement is not reached the vote attributable to such Lot shall not be cast.

Section 3.10. Meeting by Telephone. Any or all of the Members may participate in a meeting by or through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

ARTICLE 4

Board of Directors

Section 4.1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors. Such Directors shall be resident homeowners in Cobbler's Crossing subdivision.

Section 4.2. Election. As their terms expire, Directors shall be elected at the annual meeting provided in Section 3.1. The Board may, by resolution, establish such election procedures as it deems appropriate. Voting for the Board of Directors shall be by secret written ballot. The ballot shall be prepared by the Elections Committee and shall contain the name of each Person nominated for election. Those Persons receiving the highest number of votes shall be elected.

Section 4.3. Number, Tenure, and Qualifications. The number of Directors shall be eleven (11). Each Director shall hold office for a term of three (3) years or until his/her successor shall have been elected and qualified, except that at the first election after incorporation, four (4) Members of the Board of Directors shall be elected for a three (3) year term, four (4) for a two (2) year term, and three (3) for a one (1) year term so that three (3) Directors' terms expire annually. Each Director shall be eligible for re-election. All Directors must be voting Members of the Corporation.

Section 4.4. Regular Meetings. A regular meeting of the Board of Directors shall be held without any other notice than this By-Law immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the Corporation in the absence of any designation in the resolution.

Section 4.5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors, and shall be held at the principal office of the Corporation or at such other places as the Directors may determine.

Section 4.6. Notice. Notice of any special meeting of the Board of shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his/her address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice is given by electronic mail, such notice shall be deemed to be delivered when the electronic mail is sent. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meetings, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

Section 4.7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 4.8. Board Decisions. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws.

Section 4.9. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors. A Director appointed to fill a vacancy shall serve for the unexpired term of his/her predecessor in office. Each such appointment by the Board shall be subject to the approval or disapproval of the Members at the next regular meeting of the Members.

Section 4.10. Removal of Director. Any Member of the Board of Directors may be removed from office, with or without cause, by the vote of two-thirds (2/3) of the Board of Directors or by a recall petition to the Board of Directors signed by at least 30% of all of the Corporation's Members in good standing. The vacancy shall be filled pursuant to Section 4.9.

Section 4.11. Compensation. Directors as such shall not receive any stated salaries for their services. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor. Each Director may be reimbursed for his/her out-of-pocket expenses, if any, for any expense incurred in furtherance of the Cobbler's Crossing Homeowners' Association, Inc.

Section 4.12. Action Without Meeting. 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 the action is taken by all Members of the Board of Directors or such committee. The action must be evidenced by at least one (1) written consent describing the action taken signed by each Member of the Board of Directors or of such committee, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 4.13. Meeting by Telephone. Any or all of the Members of the Board of any committee designated by the Board may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

Section 4.14. Powers. All of the corporate powers, except as otherwise provided herein or by law, shall be vested in and shall be exercised by the Board of Directors. Said powers shall include, but not be limited to:

(a) the power to adopt, publish, and enforce rules and regulations governing the use of the Community Areas;

(b) the power to lease or purchase for the benefit of the Members such property, equipment, materials, labor and services as may be necessary in the judgment of the Board;

(c) the power to exercise the powers and perform the duties of the Corporation granted, imposed, authorized or permitted by the Restrictions and Protective Covenants, the exercise of which is not, reserved or committed to the membership by the Articles or By-Laws;

(d) the power to make and collect Assessments, special and regular, and charges, establish and collect membership dues, and levy and collect fines for the violation of rules and regulations governing the use of the Community Areas; and

(e) the power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Community Area and the business and affairs of the Corporation.

Section 4.15. Duties. It shall be the duty of the Board of Directors to:

(a) cause the Community Area to be maintained in good, clean, attractive and sanitary condition, order and repair;

(b) adopt and publish rules and regulations, including fees, if any, governing the use of the Community Area, and the personal conduct of the Members and guests;

(c) cause to keep complete records of all its corporate affairs, making such records available for inspection by any Member or his authorized agent, and present an annual report thereof to the Members;

(d) supervise all officers, agents and employees of the Corporation and see that their duties are properly performed;

(e) issue upon demand by any Member a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made;

(f) designate depositories for the funds of the Corporation, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Corporation, and cause such persons to be bonded, as it may deem appropriate;

(g) prepare the annual budget and fiscal report and make available to the Members;

(h) recommend for approval by the Members annual General Assessments at amounts sufficient to meet the obligations imposed by the Restrictions and Protective Covenants;

(i) annually set the date(s) Assessments are due and decide what, if any, interest rate is to be applied to Assessments which remain unpaid thirty (30) days after they become due;

- (j) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment of first installment thereof;
- (k) cause the lien against any property for which Assessments are not paid within thirty (30) days after due date to be foreclosed or cause an action at law to be brought against the Owner personally obligated to pay the same;
- (l) procure and maintain adequate insurance to protect the Corporation, its employees and its personal and real properties;
- (m) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Restrictions and Protective Covenants;
- (n) appoint such committees as are prescribed in Article 6;
- (o) faithfully observe and perform each duty imposed on the Corporation by the terms of the Restrictions and Protective Covenants and exercise such discretion granted to the Board thereunder in the best interests of the Members;
- (p) exercise their powers and duties in good faith, with a view to the interests of the Corporation; and
- (q) adopt and implement policies and/or procedures pertaining to violation of Restrictions and Protective Covenants and failure to pay annual dues and/or assessments.

Section 4.16. Non-Liability of Directors. No Director shall be liable to any Person for any error or mistake of judgment exercised in carrying out his duties and responsibilities as a Director, unless (a) the Director has breached or failed to perform the duties of his office in compliance with the Act and (b) the breach or failure to perform constitutes willful misconduct or recklessness. The Members shall indemnify and hold harmless each of the Directors against any and all liability to any Person arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith or is contrary to the provisions of the Act, the Articles or these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Members and as their agent. The liability of any Member arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to a fraction, the numerator of which is the number of Lots owned by him and the denominator of which is the total number of Lots in the Tract.

Section 4.17. Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the structures located in the Community Area, whether owned or leased by the Corporation, against loss or damage by fire or other hazards commonly insured against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, and shall also obtain a broad form public liability policy covering all damage or injury caused by the negligence of the Corporation or any of its agents. All such insurance policies shall contain a provision that all Members shall, in appropriate circumstances, be able to recover damages as claimants under such insurance. Premiums for all such insurance shall be included in the General Assessment.

Section 4.18. Insured Loss, Damage or Destruction. In the event of loss, damage or destruction by fire or other peril, the Board of Directors shall (unless otherwise agreed by two-thirds (2/3) of the Directors then serving), upon receipt of the insurance proceeds, contract to

rebuild or repair damaged or destroyed portions of the insured property to its condition before such damage. All such insurance proceeds (if the amount of such proceeds exceeds \$5,000.00) shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signatures of at least one-third (1/3) of the members of the Board of Directors, or by their duly authorized agent. In such event, the Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed structure or structures. In the event that the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as previously existed, the Board of Directors may levy a Special Assessment to make up any deficiency. Excess insurance proceeds, if any, shall become a part of the Corporation's reserve for replacements.

Section 4.19. Uninsured Loss, Damage or Destruction. In the event of loss, damage destruction to the Property caused by perils not covered by standard insurance described in Section 2.04(d) of the Articles, the Board of Directors may levy a Special Assessment to make up any deficiency created by such uninsured loss.

ARTICLE 5

Officers

Section 5.1. Officers. The Officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or 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 Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 5.2. Election and Term of Office. The Officers of the Corporation shall be elected annually by the Members at the regular annual meeting of the Members. If the election of Officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his/her successor has been duly elected and qualified.

Section 5.3. Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

Section 5.4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5.5. Powers and Duties. The Officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Board of Directors. In the absence of such specifications, each Officer shall have the power and authority and shall perform and discharge the duties of Officers of the same title serving in non-profit corporations having the same or general purposes and objectives as this Corporation and as set out herein.

Section 5.6. President. The President, who shall be chosen from among the membership and may also serve on the Board of Directors, shall preside at all meetings of the Board, if present; shall appoint the chairman and members of all standing and temporary committees, subject to the review of the Board of Directors and subject to other provisions of these By-Laws to the contrary; shall be the executive officer of the Corporation; shall have and exercise general charge and supervision of the affairs of the Corporation; and shall do and perform such other duties as these By-Laws provide or as may be assigned to him by the Board of Directors.

Section 5.7. Secretary. The Secretary shall have the custody and care of the corporate records and the minute book of the Corporation. The Secretary shall attend all of the meetings of the Board of Directors and the Members, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees of the Board of Directors when required; shall attend to the giving and serving of all notices of the Corporation, shall file and take care of all papers and documents belonging to the Corporation, shall authenticate records of the Corporation, as necessary, and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Board of Directors or the President.

Section 5.8. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Corporation; shall immediately deposit all funds of the Corporation in some reliable bank or other depository to be designated by the Board of Directors, and shall keep such bank account in the name of the Corporation; shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Corporation and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Board of Directors or the President.

Section 5.9. Assistant Officers. The Board of Directors may from time to time designate assistant officers or vice presidents who shall exercise and perform such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by the By-Laws, the Board of Directors or the President.

ARTICLE 6

Committees

Section 6.1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall

consist of two or more Directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it, or him/her, by law.

Section 6.2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members of the Corporation, and the President of the Corporation shall appoint the Members thereof. Any Member thereof may be removed by the person or persons authorized to appoint such Member whenever in their judgment the best interests of the Corporation shall be served by such removal.

Section 6.3. Architectural Review Board/Composition. Prior to the Applicable Date, the Architectural Review Board shall be comprised of the Developer. Subsequent to the Applicable Date, the Architectural Review Board shall be comprised of five (5) members elected by the Board of Directors by a vote of a majority of the Directors then serving. No member of the Architectural Review Board shall simultaneously serve as a member of the Board of Directors. For purposes of these By-Laws, the term "Applicable Date" shall mean when the total votes outstanding in the Class A membership exceeds the total vote in the Class B membership or, if sooner, the date the developer assigns architectural control rights to the Corporation.

Section 6.4. Term. Prior to the Applicable Date, the members of the Architectural Review Board shall serve until the earlier of (a) the date the Developer resigns and assigns its architectural review responsibilities to the Board of Directors or (b) the Applicable Date. Subsequent to the Applicable Date, the members of the Architectural Review Board shall serve for a term of one (1) year. Members shall be eligible for re-election.

Section 6.5. Removal; Vacancies. Subsequent to the Applicable Date, the Board of Directors may remove a member of the Architectural Review Board at any time, with or without cause, by a vote of two-thirds of the Directors then serving. In the event of a vacancy on the Architectural Review Board, the Board of Directors shall, by a vote of a majority of the Directors then serving, elect a successor to serve the unexpired term.

Section 6.6. Organization. The Architectural Review Board shall elect from among its membership a chairman, secretary and such other officers as it deems appropriate.

Section 6.7. Quorum. A quorum for action by the Architectural Review Board shall be a majority of its members, but in no event less than two (2) members.

Section 6.8. Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location and maintenance of the Tract and of improvements thereon and to regulate such uses of property, all as provided in the Restrictions and Protective Covenants.

Section 6.9. Procedures. The Architectural Review Board shall formulate general guidelines, procedures and regulations consistent with the meaning of the Restrictions and Protective Covenants and in furtherance of uniformity and aesthetic quality of Cobbler's Crossing subdivision and submit them for approval to the Board of Directors. Such guidelines, procedures and regulations shall be considered adopted policy of the Board of Directors unless rejected by a two-thirds (2/3) vote of the Board of Directors within thirty (30) days after the date of submission. The Architectural Review Board shall act in accordance with the adopted guidelines, procedures and regulations. Said guidelines, procedures and regulations, once adopted, shall be distributed to all Members of Cobbler's Crossing subdivision. These same procedures may be subsequently amended in accordance with the procedures set out in these By-Laws governing adoption of same.

ARTICLE 7

Contracts, Checks, Deposits, and Gifts

Section 7.1. Contracts. All contracts of the Corporation must be approved by the Board of Directors prior to entry or execution by the authorized Officer or Officers in the name of the Corporation. The Board of Directors may authorize any Officer or Officers, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; provided, however, that unless authorized by the Board of Directors, no Officer, agent, or employee shall have authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable pecuniary for any purpose or to any amount.

Section 7.2. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances; provided, however, that the Board of Directors may not incur indebtedness in the name of the Corporation or its Members in excess of two (2) times the annual assessment amount due from the Members of the Corporation in the year such indebtedness is incurred without calling a special meeting of the Members of the Corporation for said purposes and obtaining approval of two thirds (2/3) of those Members present at such special meeting once a quorum has been established in accordance with these By-Laws.

Section 7.3. Checks. All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money and other evidence of indebtedness, up to the amount of Three Hundred Dollars (\$300.00) shall be signed by the Treasurer, and those in excess thereof shall be signed by any two of the following officers, who are different persons: President, Secretary or Treasurer. The Board of Directors may, however, designate officers or employees of the Corporation, other than those named above, who may, in the name of the Corporation, execute drafts, checks and orders for the payment of money on its behalf.

Section 7.4. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 7.5. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for any purpose of the Corporation.

Section 7.6. Reserve for Replacements. The Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment to such reserve fund of an amount determined annually by the Board to be sufficient to meet the cost of periodic maintenance, repairs, renewal and replacement of the Property. In determining the amount, the Board shall take into consideration the expected useful life of the Property, projected increases in the cost of materials and labor and interest to be earned by such fund.

ARTICLE 8

Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, committees having and exercising any of the authority of the Board of Directors, and the membership committee, and shall keep at the principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Corporation may be inspected by any Member, or his/her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE 9

Fiscal Year

The Fiscal Year of the Corporation shall be the calendar year.

ARTICLE 10

Assessments

Section 10.1. Annual Assessments. The Board of Directors shall determine from time to time the amount of annual assessments payable to the Corporation by Members, and shall give appropriate notice to the Members. However, no increase shall be greater than 25% over the previous year's assessment without the majority vote of the Members at a meeting called for the specific purpose. Full assessment (100%) shall be collected for all on-going Members. For those whose initial membership begins after June 30 of any given year, a 50% assessment shall be collected for that year only, and thereafter the full 100% assessment shall be due annually.

Section 10.2. Payment of Assessments. Assessments shall be payable in advance of the first day of January in each year.

Section 10.3. Default and Termination of Membership. When any Member of any class is in default in the payment of dues for a period of thirty (30) days from the beginning of the period for which such dues became payable, his/her voting rights may thereupon be terminated by the

Board of Directors as provided hereinabove; however, such termination shall in no way effect the duty of such Member to pay such dues and/or assessments that are due and owing.

Section 10.4. Assessment Year. The assessment year of the Corporation shall be the calendar year.

Section 10.5. Special Assessment. The Board of Directors shall have authority to impose a special assessment payable by the Members to the Corporation to cover unexpected contingencies, liabilities and/or expenses or when it is otherwise determined that the annual assessment collected and/or uncollected from the Members of the Corporation is not sufficient to cover Operating Expenses of the Corporation or other unforeseen expenses of the Corporation; provided, however, that no special assessment may be imposed unless approved by the vote of two-thirds (2/3) of the Board of Directors at a special meeting called for such purpose. Upon the approval of a special assessment in the manner provided for herein, the Members of the Corporation shall be given notice of such special assessment and the reason or reasons therefore at least sixty (60) days prior to such assessment becoming due and payable. Failure to make payment of such special assessment will subject a Member to the penalties and procedures provided for elsewhere in these By-Laws, the Articles of Incorporation or any other procedures, regulations and/or provisions adopted by the Board of Directors as provided for in these By-Laws, the Articles of Incorporation or the Restrictions and Protective Covenants.

ARTICLE 11

Indemnification of Directors and Officers

The Corporation shall indemnify each of its Directors and Officers who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he/she is or was a Director or Officer of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful.

Except as provided herein below, any such indemnification shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director or office is proper in the circumstances because he/she has met the applicable standard of conduct set forth above. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum of Directors who were or are not parties to such action, suit or proceeding.

Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, or

proceeding if authorized by the Board of Directors and upon receipt of an undertaking by or on behalf of the Director or Officer to re-pay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation.

To the extent that a Director or Officer has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to above, or in defense of any claim issue or matter therein, he/she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith, without any further determination that he/she has met the applicable standard of conduct set forth above.

ARTICLE 12

Amendments

The Members may alter, amend or repeal the By-Laws at any annual or special meeting of Members at which a majority of the property lots of the Corporation are represented by a majority vote of such majority, provided that the notice of such meeting shall have included notice of such proposed amendment. The Board of Directors shall have the power and authority to alter, amend or repeal By-Laws of the Corporation at any regular or special meeting at which a quorum is present by the vote of a majority of the entire Board of Directors, subject always to the power of the shareholders under Indiana law to repeal or change such By-Laws.

ARTICLE 13

Waiver of Notice

Whenever any notice is required to be given under the provisions of the Indiana Non-Profit Statutes or under the provisions of the Articles of Incorporation or By-Laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 14

Enforcement

Section 14.1. Abatement and Enjoinment of Violation by Lot Owners. In addition to any and all remedies provided under the Restrictions and Protective Covenants and/or these By-Laws, the Board of Directors shall have authority to do the following: The violation of any of the rules and regulations adopted by the Board of Directors or the breach of any provision of the Restrictions and Protective Covenants or other policies, rules and/or procedures adopted by the Corporation, the Board of Directors, any Committees provided for hereunder (the "Documents") shall give the Board of Directors the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these By-Laws:

(a) To enter the Lot in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, any structure, thing or

condition (except for additions or alterations of a permanent nature that may exist in that lot) that is existing and creating a danger to the community areas contrary to the intent and meaning of the provisions of the Documents. The Board of Directors shall not be deemed liable for any manner of trespass by this action; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 14.2. Fine for Violation. By resolution, following notice and hearing, the Board of Directors may levy a fine of up to twenty-five (\$25.00) per day for each day that a violation of the Documents or rules persists after notice and hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Board of Directors.

ARTICLE 15

Incorporation of Restrictions and Protective Covenants for Cobbler's Crossing

The Corporation adopts by reference all of the Restrictions and Protective Covenants for Cobbler's Crossing recorded in the Office of the Recorder of Floyd County, Indiana.

Certificate of By-Laws

I, SANDRA L. MELCHER, Secretary of Cobbler's Crossing Homeowners' Association, Inc., an Indiana non-profit corporation, hereby certify:

The foregoing By-Laws comprising fourteen (14) pages were adopted as the By-Laws of Cobbler's Crossing Homeowners' Association, Inc. on Oct. 16, 2001.

Dated: 1-9-2002

Sandra L. Melcher
Secretary



Betty J. Rogers
Notary Public, State at Large, IN
My commission expires Dec. 13, 2006

PREPARED BY: D. BRYAN WICKENS