

AMENDED AND RESTATED CODE OF BYLAWS

OF

ROYAL RUN SUBDIVISION ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of the corporation is Royal Run Subdivision Association, Inc., (hereinafter referred to as the "Association"). The principal office of the Association shall be in care of the Association's property manager, until and unless changed by the Board of Directors, but meetings of Members and directors may be held at such places within Boone County, Indiana as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 2.1. "Declaration" means the Declaration of Covenants, Conditions and Restrictions of Royal Run, recorded in the office of the Recorder of Boone County, Indiana, on April 3, 1998, as Instrument No. 9803722, pages **1-37**, inclusive, and as the same may be amended or supplemented from time to time as therein provided, said Declaration being incorporated herein by reference.

Section 2.2. "Association" means this corporation, which is also referred to as the "Corporation" in said Declaration.

Section 2.3. "Members" means all Owners of record. Each Owner automatically becomes a Member of the Association **and** shall remain a Member of the Association so long as the Owner owns a Lot.

Section 2.4. "Nonprofit Act" means the Indiana Nonprofit Corporations Act of 1991, as the same may be amended from time to time.

Section 2.5. All of the definitions and terms as defined and used in the Declaration shall have the same meanings in these Bylaws and reference is specifically made to Article I of the Declaration containing definitions of terms.

ARTICLE III

Membership and Voting Rights

Section 3.1. Membership, Transfer, Voting Rights. Reference is hereby made to Article VI of the Declaration and Article V of the Articles of Incorporation which sets forth terms, provisions and conditions governing and relating to membership in the Association, transfer of membership and voting rights of Members, all of which terms, provisions and conditions are incorporated herein by reference.

Section 3.2. Quorum. The presence in person or by proxy at any meeting of the Association's Members entitled to vote thirty percent (30%) of the total votes of the Association's Members shall constitute a quorum for any action except as otherwise provided in or required by the Articles of Incorporation of the Association, the Declaration, these Bylaws, or by statute. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote there at shall have power to adjourn the meeting from time to time, without notice other than announcement of the meeting, until a quorum as aforesaid shall be present or represented.

Section 3.3. Proxies. Members may cast their votes in person or by proxy. Proxies must be filed with the Secretary of the Association before the appointed time of each meeting of the Members of the Association.

Section 3.4. Majority Required. A majority of the votes of Members present (in person or by proxy) at a meeting at which a quorum is present shall be sufficient for the transaction of all business of the Association except on matters where a greater vote is required by the Declaration, the Articles of Incorporation, these Bylaws or by statute.

Section 3.5. Meetings. Meetings of the Association's Members shall be in accordance with the following provisions:

A. Annual Meetings. The annual meeting of the Members of the Association shall be held within the month of October each year, with the exact date to be decided by the Board of Directors.

B. 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. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the petition or resolution.

C. Notice of Meetings. It shall be the duty of the Secretary to serve a notice of each annual or special meeting, stating the purposes thereof as well as the time and place

where it is to be held, upon each Member of record, at least fourteen (14) days prior to 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. 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 Nonprofit Act before adjournment.

D. Order of Business. The order of business at all meetings of the Members shall, to the extent applicable, be as follows:

- (1) Roll call.
- (2) Proof of notice of meeting or waiver of notice.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of officers.
- (5) Report of committees.
- (6) Election of directors.
- (7) Unfinished business.
- (8) New business.

ARTICLE IV

Nomination and Election of Directors

Section 4.1. Nomination. Annually, the Board may appoint a Nominating Committee. Nomination for election to the Board of Directors shall be made by a Nominating Committee if so appointed. Nominations may also be made from the floor at the annual meeting. The Nominating Committee (if any) shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee (if any) shall be appointed by the Board of Directors at least two (2) months prior to the annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among Members of the Association.

Section 4.2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration, i.e., one vote per home. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted,

ARTICLE V

Board of Directors

Section 5.1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of nine (9) persons who each own at least one (1) Lot in Royal Run. All Directors must also be residents of Royal Run in order to be eligible to be elected and to serve on the Board. The Board shall be comprised of one (1) representative from each of the nine (9) sections of Royal Run. The Members in each section shall elect only one (1) member to the Board by a majority vote. For example, the Association's Members from the Briargate section of Royal Run shall only vote to elect the one Director from Briargate who is an owner of a lot in Briargate and resides there.

Section 5.2. "At Large" Directors. If, at any time, there is no Member from a particular section of Royal Run willing to serve on the Board, that position on the Board shall be deemed to be an "at large" position temporarily. In that event, at the annual meeting, the Association's Members shall elect an owner from any other section of Royal Run to serve in that "at large" position. If a vacancy occurs on the Board for such a position, the Board of Directors shall be empowered to fill such vacancy until the next annual meeting.

Section 5.3. Term of Office and Vacancy. Members of the Board of Directors shall be elected at each annual meeting of the Association. Each Director shall serve a term of three (3) years. One-third (1/3) of the persons on the Board of Directors shall be elected at each annual meeting of the Association. Any vacancy or vacancies occurring in the Board caused by a death, resignation, or otherwise other than a vacancy created by removal or an increase in the number of Directors, shall be filled until the next annual meeting of the Association's Members through a vote of a majority of the remaining Directors. At the first annual meeting of the Members following any such vacancy, a Director shall be elected by the Members to serve for the balance of the term of the Director in respect to whom there has been a vacancy. Despite the expiration of a Director's term, the Director continues to serve until a successor is appointed or elected and qualified. There shall be no limit on the number of times a Director may serve.

The staggered terms shall be established at the Association's annual meeting in 2004 as follows:

<u>Section Name</u>	<u>Year when term will expire</u>
Wimbledon Station	2007
Briargate	2007
Anthearst Meadows	2007
Hunter's Ridge I	2006
Hunter's Ridge II	2006
Lancaster Park	2006
Kingston	2005
Stafford	2005
Saddletree	2005

Section 5.4. Powers. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties, which powers include, but are not limited to, the power:

A. To adopt and publish rules and regulations governing the use of the facilities, if any, of the Association, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

B. To suspend the voting rights of a Member and the right to use any Association Common Area but not rights of access and easements necessary for the use of his or her Lot, during any period in which such Member shall be in default for a period of thirty (30) days in the payment of any Regular or Special Assessment levied by the Association, or the payment of any other amount or the performance of any other term of the Declaration or these Bylaws. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

C. To exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Association's Members by other provisions of these Bylaws, or the Articles, or by statute;

D. To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

E. To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, subject to the limitations set forth in the Declaration; and

F. To do and take all such action as is or may be necessary, desirable, or appropriate to perform the duties, obligations and responsibilities of the Board as required by the Declaration, other provisions of these Bylaws, or the Articles, or by statute.

Section 5.5. 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 ten percent (10%) of the total votes of the membership entitled to vote;

B. To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

C. To establish the Regular Assessment period and fix the amount of the Regular Assessment against each Member for each Lot owned, all in accordance with the terms of the Declaration, the Articles of Incorporation 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, the Articles of Incorporation and these Bylaws;

E. To send written notice to all Members of any meeting of the Members called for the purpose of voting upon any increase in Regular Assessments which would be more than five percent (5%) greater than the prior year's Regular Assessments, or voting upon a proposed Special Assessment, as and to the extent required by the Declaration;

F. To send written notice of each Regular or Special Assessment to every Owner in accordance with the Declaration;

G. To foreclose the Association's lien for Assessments against any property for which Assessments are not paid within ninety (90) days after due date or to bring an action at law against the Owner or other person personally obligated to pay the same;

H. To procure and maintain liability, fire and other hazard insurance on property owned by the Association which shall include fire and extended coverage on insurable common property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement) if the same is necessary and to use the proceeds of such hazard insurance solely for the repair, replacement or reconstruction of such insurable common property including insured improvements and to procure and maintain other insurance as required or authorized by the Declaration;

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;

J. . To cause all of the Common Area, to be maintained; and

K. To perform, or cause to be performed, all duties and obligations imposed upon the Association and the Board of Directors under the Articles of Incorporation and the Declaration.

Section 5.6. Compensation. Under no circumstances may a director or officer be compensated for any service he or she may render to the Association, either as a director or officer, or in any other capacity. However, any director or officer may be reimbursed for his or her actual expenses incurred on behalf of the Association in the performance of his or her duties.

Section 5.7. Removal of Directors. A Director or Directors elected by the Association's Members, or elected by the Directors to fill a vacancy, may be removed by

the Members within the applicable section of Royal Run with or without cause if the number of votes cast to remove would be sufficient to elect the Director(s) at a meeting to elect Directors. An "at large" Director may be removed by vote of the entire membership of the Association. A Director or Directors may be so removed by the applicable Members only at a meeting called for the purpose of removing the Director(s). The meeting notice must state that the purpose of the meeting is for voting upon the removal of the Director(s). In such case, his or their successor(s) shall be elected at the same meeting from eligible Members nominated at the meeting to serve for the remainder of the term(s) of the removed Director(s).

Section 5.8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of the election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 5.9. Meetings and Notice. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors. No written or verbal notice need be given to Directors for regularly scheduled Board meetings of which the Directors are already aware. For all other Board meetings, the Secretary shall give notice of such meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meetings. Special meetings of the Board may be called by the President or any two members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary, who shall either personally or by mail and at least three days prior to the date of such special meeting, give notice to the Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place as shall be designated in the notice. To the extent provided in the Nonprofit Act, a Director may conduct or participate in a regular or special meeting of the Board of Directors through the use of conference telephone or any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is considered to be present in person at the meeting.

Section 5.10. Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him or her 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 5.11. 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, the Articles, these Bylaws or by statute. If, at any meeting of the Board of Directors,

there 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 5.12. Action Taken Without A Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 5.13. 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 Nonprofit Act.

ARTICLE VI

Officers and Their Duties

Section 6.1. Enumeration of Offices. The officers of this Association shall be a president, vice-president, a secretary and a treasurer, all of whom shall be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 6.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 6.3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, be removed or otherwise be disqualified to serve. An officer may serve more than one term consecutively in a particular office, if so elected each year.

Section 6.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 6.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any time specified herein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 6.7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 6.8. Duties. The duties of the officers are as follows:

President

A. The president shall preside at all meetings of the Board of Directors; he or she shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds and other written instruments. He or she shall have the power to appoint committees from among the Members of the Association from time to time as he or she may in their discretion deem appropriate to assist in conducting the affairs of the Association. The president shall have and discharge all the general powers and duties usually vested in the office of the president or chief executive officer of an association or a stock corporation organized under the laws of the State of Indiana. For the purpose of these Bylaws, President shall be the same as Chairman as set out in Article IV of the Declaration.

Vice-President

B. The vice-president shall act in the place and stead of the president in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the vice-president by the Board or as are delegated to the vice-president by the president.

Secretary

C. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association (if any is adopted) and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board. Upon majority vote of the Board of Directors, the Board may delegate some or all of the Secretary's duties to the Association's property management company.

Treasurer

D. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of

Directors; shall sign all checks and promissory notes of the Association unless otherwise directed by the Board; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at the regular annual meeting, and deliver a copy of each to the Members. Upon majority vote of the Board of Directors, the Board may delegate some or all of the Treasurer's duties to the Association's property management company.

ARTICLE VII

Committees

The Board of Directors shall appoint an Architectural Review Committee. The Board, in its discretion, may also appoint a Nominating Committee. In addition, the Board of Directors or the president may appoint other committees as deemed appropriate in carrying out the purposes of the Association and the Declaration.

ARTICLE VIII

Books of Accounts: Fiscal Year

Section 8.1. Books of Account. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Area and any other expenses incurred by or on behalf of the Association and the Members. Such accounts, books, records, financial statements and other papers of the Association shall be open for inspection by the Members and other persons having an interest in any Lot, including any Owner, any lender and any holder, insurer or guarantor of a first mortgage on any Lot or Residence Unit, during reasonable business hours or under other reasonable circumstances and shall be audited every other year by qualified auditors. The cost of such audits shall be a Common Expense. Any holder, insurer or guarantor of a first mortgage on a Lot or Residence Unit shall be entitled upon written request to receive an audited financial statement, if available, for the immediately preceding audited year free of charge to the requesting party and within a reasonable time of such request. Current copies of the Declaration, the Articles of Incorporation, the Bylaws of the Association, and other rules concerning Royal Run, shall be available for inspection by any Owner and lender, and by holders, insurers or guarantors of any first mortgage, at the principal office of the Association during normal business hours or under other reasonable circumstances, where copies of the same and of audits may be purchased at reasonable costs.

Section 8.2. Fiscal Year. The fiscal year of the Association shall commence January 1 and end the following December 31 each year. The fiscal year for purposes of Assessments may be different than the general fiscal year of the Association as contained in the Declaration.

ARTICLE IX

As more fully provided in the Declaration, each Member is obligated to pay to the Association Regular and Special Assessments which are secured by a continuing lien upon the Lot against which the Assessment is made. Any Assessments which are not paid when due shall be delinquent. No owner may waive or otherwise escape liability for the Assessments provided for in the Declaration or herein by non-use of the Common Area or abandonment of his or her Lot.

ARTICLE X

Amendments

Section 10.1. The power to amend, alter, add to and repeal these Bylaws is vested in the Members of the Association; provided, however, that no amendment or other change shall be made in these Bylaws which conflicts with the terms and provisions of the Declaration unless the same is adopted by and approved by the Members of the Association and others entitled by the terms of the Declaration to vote on amendments to the Declaration as provided in, and in accordance with the requirements of, the Declaration.

Section 10.2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

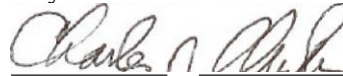
ARTICLE XI

Indemnification

Section 11.1 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 Nonprofit Act.

IN WITNESS WHEREOF, we, the undersigned, do hereby execute this Amended and Restated Code of Bylaws and certify the truth of the facts herein stated, this 18th day of December, 2004.

Royal Run Subdivision Association, Inc., by:



Charles Anderson, President

Attest:

Ben Spillman, Secretary

STATE OF INDIANA

COUNTY OF Marion

Before me a Notary Public in and for said County and State. personally appeared Charles Anderson and Ben Spillman, the President and Secretary, respectively, of Royal Run Subdivision Association, Inc., who acknowledged execution of the foregoing Amended & Restated Code of Bylaws of said corporation for and on behalf of said corporation and who, having been duly sworn, stated that the representations contained herein are true. Said President and Secretary also state that the foregoing Amended & Restated Code of Bylaws are true and correct after the Members of the Association approved various amendments at a meeting duly called for such purpose on December 18, 2004.

Witness my hand and Notarial Seal this 18th day of December, 2004.



My Commission Expires:

July 31, 2008

Cynthia L. Urban
Notary Public - Signature

Cynthia L. Urban
Printed

Residence County: Marion