

Code of By-Laws
of
Dorchester Village Homeowners' Association, Inc.

ARTICLE 1

Identification and Applicability

Section 1.1. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration to which these By-Laws are attached and made a part. The Declaration is incorporated in these By-Laws by reference, and all of the covenants, rights, restrictions and liabilities contained in the Declaration shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws. The provisions of these By-Laws shall apply to the Real Estate and the administration and conduct of the affairs of the Association.

Section 1.2. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy any Lot or any part of the Real Estate shall be subject to the rules, restrictions, terms and conditions set forth in the Declaration and these By-Laws.

ARTICLE 2

Meetings of Association

Section 2.1. Purpose of Meetings. At least annually, and at such other times as may be necessary, the meeting of the Owners shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of the Common Expenses and assessments, and for such other purposes as may be required by the Declaration and these By-Laws.

Section 2.2. Annual Meeting. The annual meeting of the members of the Association shall be held on the third Wednesday of September in each calendar year. At the annual meeting the Owners shall elect the Board of Directors in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.3. Special Meetings. A special meeting of the members of the Association may be called by resolution of the Board of Directors or upon a written petition of the Owners who have not less than 25% of the Class A membership votes. 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 called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.4. Notice and Place of Meetings. All meetings of the members of the Association shall be held at any suitable place in Monroe County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Community Association to each Owner and, if applicable, to any Mortgagee not less than 14 days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Association and to the mortgagee at the address as it appears on the records of the Association. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 2.5. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by the By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 2.4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 2.6. Voting.

2.6.1. Number of Votes. For the purposes of the conduction of meetings and voting at meetings, the Declarant shall be considered included within the term "Owner" for the purposes of these By-Laws. Voting rights shall be determined in accordance with the Declaration as follows:

2.6.1.1. Class "A". Class "A" members all be all Owners except Declarant and shall be entitled to one vote for each Lot owned. All persons holding an interest in any Lot shall be members; however, each Lot represented shall have only one vote as the Owners of such Lot may determine.

2.6.1.2. Class "B". The Class "B" Member shall be Declarant and Declarant shall be entitled to 10 votes for each Lot owned. The Class "B" membership shall cease and terminate upon the first to occur of: (1) the date upon which the written resignation of the Class "B" member as such is delivered to the resident agent of the Association, provided, however, if Declarant, at such time still owns Lots, such membership shall be converted to a Class "A" membership; or (2) December 31, 1999.

2.6.1.3. Class "C". Any and all natural persons who are officers, directors, partners, employees, or appointees of a Class "A" member or a Class "B" member may become a Class "C" member of the Association upon

designation by a Class "A" member or a Class "B" member. A Class "C" member shall have no vote in matters of the Association, but may serve on the Board of Directors.

2.6.2. 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 all the vote allocable to that Lot. At the time of acquisition of title to a Lot by a multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Association a proxy appointing one such person or partner as the voting representative who shall continue to serve in that capacity until such representative relinquishes such appointment in writing, becomes incompetent, dies, such appointment is rescinded by an order of a court of competent jurisdiction, or the subject Lot which forms the basis of the vote is conveyed. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph 2.6.4 of this Section 2.6, which shall not constitute a permanent relinquishment of his right to act as voting representative for the Lot.

2.6.3. Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote 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 vote to which the corporation is entitled.

2.6.4. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or upon receipt of notice by the Secretary, or the Board of the death or judicially declared incompetence of a member or upon the expiration of 11 months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

2.6.5. Quorum and Voting. Except as otherwise expressly provided in the Declaration or these By-laws, the Owners representing 50% of all votes of the membership, taken together, shall constitute a quorum at all meetings. The term "majority of Owners" or "majority of vote", as used in these By-Laws, shall mean at least 51% of all votes entitled to be cast by those Owners and by the Declarant who are present (in person or by proxy) at a meeting in accordance with the Declaration, as it may be amended from time to time.

2.6.6. Conduct of Meeting. The Chairman of the meeting shall be the President of the Association, who shall call the meeting to order at the duly designated time and business will be conducted in the following order:

2.6.6.1. Reading of the Minutes. The Secretary shall read the minutes of the last annual meeting of any special meeting held subsequent thereto.

2.6.6.2. Treasurer's Report. The Treasurer shall report to the Members concerning the financial condition of the Association and answer relevant questions of the Members concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.

2.6.6.3. Budget. The proposed budget for the current calendar year shall be presented to the Members for approval or amendment.

2.6.6.4. Election of the Board of Directors. Nominations for the Board of Directors may be made by any Member from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least 10 days prior to the date of the annual meeting. The ballot shall contain the name of each person nominated to serve as a Board member. Each Member may cast the total number of votes to which such Member is entitled for each nominee to be elected. Those persons receiving the highest number of votes shall be elected. All voting for election of the members of the Board of Directors shall be conducted by secret written ballot.

2.6.6.5. Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least 10 days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the vote.

2.6.6.6. Adjournment. The meeting shall be adjourned at the conclusion of all business. One or more recesses may be taken, if necessary.

ARTICLE 3

Board of Directors

Section 3.1 Board of Directors

3.1.1. Function of Directors. The business and property of the Association shall be managed and directed by the Board of Directors composed of three to five persons, or by such Committees as the Board may establish pursuant to the By-Laws.

3.1.2. Initial Directors. The initial board of three Directors shall be selected by the Declarant from the date upon which the Declaration is recorded in the Monroe County, Indiana, public records until sale of the last unit by the Developer (unless an earlier date is elected by Declarant) and until the qualification of successor directors elected at a meeting of voting members.

3.1.3. Subsequent Directors. Directors elected after the term of the initial Board of Directors has expired shall be elected at the annual meeting of the Association and those persons who receive the highest number of votes shall be deemed to have been elected. The size of the Board of Directors may be increased or decreased from time to time upon the affirmative vote of 75% in common interest of all Owners provided that there shall not be fewer than three nor more than five Directors. Each Director shall be a Class "A" or Class "C" member of the Association. Nothing contained in this section shall be construed to prevent the election of a Director to succeed himself.

3.1.4. General. Members of the Board of Directors shall receive no compensation for their services. Vacancies in the Board, including vacancies due to any increase in the number of persons on the board shall be filled by majority vote of the remaining members, except that a vacant position of the Board last filled by a person appointed by the Declarant shall be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director being replaced. Except as otherwise provided in this Declaration, the Common Area shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of members of the Board shall constitute a quorum.

3.1.5. Style of Meetings. All meetings of the Board shall be open to attendance by any Lot Owner, except that the President may call the Board into executive session on matters of personnel, infractions of the rules and regulations of the Association, and matters of similar sensitivity. Any action taken by the Board in executive session shall be recorded in the minutes.

3.1.6. Waiver of Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent to such action is signed by all Directors and such consent is filed with the minutes of proceedings of the Board.

Section 3.2. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

3.2.1. to employ a managing agent or a real estate management company (either called "Managing Agent") to assist the Board in performing its duties;

3.2.2. to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;

3.2.3. to procure for the benefit of the Owners fire and extended coverage insurance covering the property of the Association and the Common Areas to the full replacement value and to procure public liability and property damage insurance, Directors and officers liability insurance, workmen's compensation insurance, and such other insurance as the Board of Directors may determine is necessary for the benefit of the Owners and the Association;

3.2.4. to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of Dorchester Village Homeowners' Association, Inc.;

3.2.5. to include the costs of all of the above and foregoing as Common Expenses and assessments and to pay all such costs therefrom;

3.2.6. to consent to amendment to the Declaration;

3.2.7. to adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation and enjoyment of the Real Estate;

3.2.8. to open and maintain a bank account or accounts in the name of the Association.

Section 3.3. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$5,000.00 without obtaining the prior approval of a majority of Owners, except in the following cases:

3.3.1. contracts for replacing or restoring portions of the Common Areas damaged or destroyed by fire or other casualty if the cost is payable out of insurance proceeds actually received; and,

3.3.2. proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting.

Section 3.4. Compensation. No Director shall receive any compensation for any service rendered to the Association except to the extent required for reimbursement for actual expenses incurred in the performance of such duties.

Section 3.5. Meetings. 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. The Secretary shall give notice of regular meetings of the Board to each Director personally or by United States mail at least five days prior to the date of such meeting.

Special meetings of the Board of Directors may be called by the President or any two members of the Board. The person or persons calling such meeting shall give written notice 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 time within Monroe County, Indiana, as shall be designated in the notice.

Section 3.6. Waiver of Notice. Before 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. The presence of any Director at a meeting shall as to such Director, constitute a waiver of notice of the time, place and purpose. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.7. 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 votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.8. Non-Liability of Directors. The Board of Directors shall not be liable to the Association for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or 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 Association. Every contract made by the Board shall provide that the Board of Directors, in executing such contract, is acting as Agent for the Association and shall have no personal liability.

Section 3.9. Additional Indemnity of Directors. The Association shall indemnify all persons, and their heirs, assigns and legal representatives, made a party to any action, suit or proceeding because of being a Director of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of such action, suit or proceeding, or in connection with any appeal, unless a majority of the Owners find that such Director was guilty of gross negligence or misconduct. In making such findings, no Director shall be considered or deemed guilty of or liable for negligence or misconduct in the performance of duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent of the Association or any officer or employee, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness of such information, nor shall a Director be deemed guilty of or liable for negligence or misconduct by failing or neglecting to attend a meeting or meetings of the Board of Directors.

Section 3.10. Bond. The Board of directors shall require any or all officers and employees of the Association handling or responsible for Association funds to be covered by an adequate bond. The premiums on such bonds shall constitute a Common Expense.

Section 3.11. Informal Action of Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

ARTICLE 4

Officers

Section 4.1. Officers of the Association. The principal officers of the Association shall be the President, Vice President and Secretary/Treasurer, all of whom shall be elected by the Board. 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. Each officer will serve for a term of one year except an officer filling a vacancy created by resignation, death or removal of another officer in which case the term shall be limited to the unexpired term.

Section 4.2. Election of Officers. The officers of the Association shall be elected annually by the Board at the initial meeting of each new Board. Upon an affirmative vote of a two-thirds (2/3) majority of all members of the Board, any officer may be removed either with or without cause and a successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.3. President. The President shall be elected from among the Directors and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including but not limited to, the power to appoint committees from among the Owners as may be deemed necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

Section 4.4. Vice President. If the Board of Directors deems it appropriate, the office of Vice President will be filled. In such event, 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 By-Laws may prescribe or as shall, from time to time, be imposed by the Board or by the President.

Section 4.5. Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and the Board and shall keep or cause to be kept a true and complete record of the 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. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provision of these By-Laws. The Secretary and President shall not be the same person.

Section 4.6. Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of Treasurer. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association, shall immediately deposit all funds of the Association in some reliable bank or other depository to be designated by the Board, and shall keep such bank account in the name of the Association.

Section 4.7. Assistant Officers. The Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as the officer whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

Section 4.8. Compensation. No officer shall receive compensation from the Association for acting as such.

ARTICLE 5

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Assessments

Regular and Special Assessments shall be determined and collected as follows:

Section 5.1. Annual Accounting. Annually after the close of each calendar year of the Association and prior to the date of the annual meeting of the Association, the Board of Directors shall cause to be prepared and furnished to each Owner a financial statement which shows all receipts and expenses during the preceding calendar year. The annual accounting shall be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered.

Section 5.2. Proposed Annual Budget. Annually on or before the date of the annual meeting of the Association, the Board of Directors shall: prepare a proposed annual budget for the ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year; and, furnish a copy of such proposed budget to each Owner at the same time as the notice of annual meeting is mailed or delivered. The proposed annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption, and if so adopted shall be the basis for the Regular Assessments for the ensuing calendar year. At the annual meeting of the Owners, the proposed budget may be approved in whole or in part, or may be amended in whole or in part by a majority vote of the Owners present or represented at the meeting (provided a quorum is present); provided, however, in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy to the Owner shall not constitute a waiver or release of the Owner to pay the Common Expenses.

Section 5.3. Regular Assessments. The Regular Assessment against each Lot shall be paid in monthly installments on the first day of each month following the sale of such Lot by Declarant or after subsequent sales. Payment of the Regular Assessment shall be made to the Board of Directors as directed by the Board of Directors; provided however, that any Owner may elect to pay Regular Assessments in advance. The Regular Assessment shall become a lien on each separate Lot in Dorchester Village as of the date of the adoption of the annual budget. The initial Regular Assessment will be Forty and 00/100 Dollars (\$40.00) per month for each 2-bedroom unit and Fifty and 00/100 Dollars (\$50.00) per month for each 3-bedroom unit and will not increase by more than twenty percent (20%) per year until after the Declarant has sold all Lots.

Section 5.4. Special Assessments. No Special Assessments shall be levied without the assent of two-thirds (2/3) of the Owners at a meeting duly called for this purpose. Each

Owner, subject to the Regular Assessment as described in Section 5.3 above, shall pay the Association a Special Assessment on or before the due date(s) established by the Board of Directors.

Section 5.5. Adjustments. If the approved budget and Regular Assessments plus the reserves of the Association are insufficient to meet the Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. If the approved Regular Assessments exceed actual expenses in any year, such surplus shall be retained and used to offset expenses in the next year(s).

Section 5.6. Temporary Budget and Assessments. If for any reason an annual budget and the Regular Assessments for any year have not been determined as of January 1 of any year, the budget and Regular Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and Regular Assessments are determined in accordance with this Declaration and the By-Laws; provided however, that said preceding budget and Regular Assessments may be increased by up to 15% as the Board of Directors, by majority vote, may deem necessary.

Section 5.7. Reserve and Operating Funds. The Association shall be obligated to establish a reserve fund for the repair of the Common Area based upon good faith estimates of the useful life and replacement cost of such Common Area made or obtained by the Association. The reserve fund shall be funded through the payments by the Owners subject to the Regular Assessment of Common Expenses and not by an extraordinary or Special Assessment. Extraordinary expenditures not originally included in the annual estimate that become necessary during the year shall be charged first against the reserve fund so established before any Special Assessment is made or levied. In addition to the reserve fund, an operating fund shall be established and maintained by the Association. All amounts held by the Association pursuant to this Section 5.7 shall be maintained in a federally-insured, interest-bearing account in a commercial or savings bank doing business in Monroe County, Indiana, and all interest shall be added to and deemed a part of such fund.

Section 5.8. Status of Funds Collected by Association. All funds collected pursuant to this Section 5 shall be held and expended by the Association solely for the purposes designated, and, except for such adjustments as may be required to reflect delinquent or prepaid Regular or Special Assessments, shall be deemed to be held for the use, benefit and account of the Owners for the payment of Common Expenses.

Section 5.9. Accounting Practices of the Association. The annual budget, the Regular Assessment and all sums assessed by the Association shall be established by using generally accepted accounting principles. The annual budget and the Regular Assessment shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and

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repair of the Common Area to the extent such capital expenditures and replacement and repair is the obligation of the Association, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Area. Such replacement reserve fund for capital expenditures and repair of the Common Area shall be maintained by the Association in a separate interest-bearing account or accounts with one or more commercial or savings banks authorized to conduct business in Monroe County, Indiana, selected from time to time by the Board of Directors.

Section 5.10 Collection of Assessments. Each Assessment shall be due and payable on the due date as specified in this Declaration or in the By-Laws, or if not so specified, then on any due date(s) determined by the Board of Directors. Any Regular or Special Assessment which is not paid in full by the Delinquency Date shall be deemed delinquent without further notice or demand to the defaulting Owner, and shall bear interest on the unpaid balance thereof from the Delinquency Date until fully paid, at a rate of interest equal to 18% per annum. If any costs or expenses, including attorney's fees, are incurred by or on behalf of the Association with respect to the recovery or collection of any delinquent Assessment, all such costs and fees shall be due and payable immediately by such delinquent Owner and shall bear interest from the date incurred until paid in full, at a rate of interest equal to 18% per annum. All interest and all costs and expenses payable with respect to a delinquent Assessment shall be added to and deemed a part of such delinquent Assessment and shall constitute a lien on the delinquent Owner's Lot as of the date on which such delinquent Assessment first became a lien, to enforce payment of the same by foreclosure of said lien and/or other appropriate legal proceedings in accordance with the laws of the State of Indiana. The Owner and any occupant of the Lot shall be jointly and severally liable for the payment to the Association of reasonable rental for such Lot and the Board of Directors shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Regular Assessments or Special Assessments. The Board of Directors may at its option, bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing it.

Section 5.11. Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in this Declaration, the Articles or the By-Laws, any sale or transfer of a Lot to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer or conveyance, provided however, that the extinguishment of such lien cannot relieve the prior Owner from personal liability.

Section 5.12 Notice of Assessments. Upon 10 days written notice to the Association and the payment of a reasonable fee, the Association shall deliver to any

Owner, Mortgagee, prospective Mortgagee, title insurance company, purchaser or other prospective transferee of a Lot, a written statement setting forth the amount of all unpaid Assessments, if any, with respect to the Lot, together with the amount of the current assessments for Common Expenses and the date(s) such Assessments become due and payable. Any such written statement shall be binding upon the Association in favor of any person relying thereon in good faith.

ARTICLE 6

Rules and Regulations

The Board of Directors may promulgate reasonable rules and regulations regarding the operation of the Association or the Common Area, as it may deem necessary from time to time. Such rules as are adopted may be amended by vote of a majority of the Board, the Board shall cause copies of such rules to be delivered and mailed promptly to all Owners.

ARTICLE 7

Amendment to By-Laws

Until all Lots are sold by Declarant, these By-Laws may be amended by majority vote or by written consent of all initial directors. After December 31, 1999, or upon an earlier date established by Declarant, these By-Laws may be amended by a vote of not less than 66 2/3 percent of the votes of the Owners in a duly constituted meeting called for such purpose. Provided however, that no amendment to these By-Laws which materially impairs the right of any Mortgagee or any party holding, insuring or guaranteeing any mortgage on all or any portion of the Real Estate may be made unless the Mortgagees consent in writing to the amendment.

The undersigned certifies that these By-Laws were adopted by consent of the Board of Directors of Dorchester Village Homeowners' Association, Inc., an Indiana nonprofit corporation.

Dated this 13th day of June, 1994.



Douglas E. Schmidt,
Secretary/Treasurer

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EXHIBIT B

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Part of the Northeast quarter of the northwest quarter of Section 10, Township 8 North, Range 1 West, Perry Township, Monroe County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of Beechwood Manors Addition as recorded in Plat Cabinet "B", Envelope 56, Office of the Recorder of Monroe County, Indiana, said point being 810 feet West and 600 feet South of the Northeast corner of the Northeast quarter of the Northwest quarter of said Section 10; thence South 88 degrees 54 minutes 00 seconds West along the North line of Beechwood Manor II Addition as recorded in Plat Cabinet "B", Envelope 269, Office of the Recorder of Monroe County, Indiana a distance of 215.00 feet to the East right-of-way of Dorchester Drive and to a point on a curve to the left with a radius of 150.73 feet, a central angle of 38 degrees 27 minutes 02 seconds, and a chord of 99.26 feet bearing North 25 degrees 13 minutes 55 seconds West; thence Northwesterly along said right-of-way and along said curve 101.15 feet to the beginning of a curve to the right with a radius of 271.98 feet, a central angle of 39 degrees 01 minutes 27 seconds, and a chord of 181.69 feet bearing North 24 degrees 56 minutes 43 seconds West; thence Northwesterly along said right-of-way and along said curve 185.25 feet; thence north 88 degrees 54 minutes 00 seconds East 325.00 feet to the West line of said Beechwood Manors Addition; thence South 02 degrees 00 minutes 00 seconds East along said West line 256.80 feet to the point of beginning, containing 1.623 acres, more or less;