

**CODE OF BY-LAWS**  
**OF**  
**Carlton Heights Sections 5 and 6 Homeowners Association, Inc.**

ARTICLE I

Name and Location

The name of the Corporation is Carlton Heights Sections 5 and 6 Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the corporation shall be located at 10200 Lantern Road, Fishers, IN 46037, but meetings of members and directors may be held at such places within the State of Indiana as designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to Carlton Heights Sections 5 and 6 Homeowners Association, Inc., its successors and assigns.

Section 2. "Real Estate" shall mean that real estate duly recorded as Carlton Heights Sections 5 and 6 Subdivision in the Office of the Recorder of Hamilton County, Indiana.

Section 3. "Common Property" shall mean the fences, mounds, landscaping, signage, and lighting constructed or to be constructed by Declarant within the area of the Real Estate known as the "Landscape Easement" or "Common Area" of Carlton Heights Sections 5 and 6 Subdivision.

Section 4. "Lot" shall mean any of the numbered and platted lots in Carlton Heights Sections 5 and 6 Subdivision as duly recorded by the Declarant in the Office of the Recorder of Hamilton County, Indiana.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, unless the record owner shall have conveyed its equitable interest in the Lot, in which event the "Owner" shall be deemed to be the purchasers at such time as the purchasers shall be entitled to possession of the Lot. "Owner" shall not include those having an interest in the Lot merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean Carlton Heights, Inc., an Indiana corporation, or such successor or assign thereof to which Declarant shall have assigned all of its rights, powers, duties, and liabilities under the Declaration.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions of Carlton Heights Sections 5 and 6 applicable to the Real Estate and

recorded in the Office of the Recorder of Hamilton County, Indiana.

Section 8. “Member” shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration and the Articles of Incorporation of the Association.

Section 9. “Articles” shall mean the Articles of Incorporation of the Association, as amended from time to time.

Section 10. “Applicable Date” shall mean that date after which more than eighty five percent (85%) of the Lots are sold to residents of dwellings thereon.

### ARTICLE III

#### Identification and Applicability

Section 1. Identification and Adoption. These By-laws are adopted simultaneously with the execution of the Declaration, to which these By-Laws are attached and of which they are made a part.

Section 2. Individual Application. All of the Owners, tenants, their guests and invitees, or any other person who might now or hereafter use or occupy a Lot or any part of the Real Estate shall be subject to the rules, restrictions, terms, and conditions set forth in the Declaration, these By-Laws, and the Articles, as the same may be amended from time to time.

Section 3. Membership. The members of the Association shall be Owners, and the terms “Member” and “Owner” as used herein, in the Declaration, or in the Articles shall be interchangeable. A member shall be deemed to be in good standing so long as he or she remains in compliance with the covenants and obligations of an Owner under the Declaration, these By-Laws, the Articles, or as otherwise determined by the Board of Directors.

Section 3.01. Classes of Membership. The Association shall have two (2) classes of members as follows:

(a) Class A. Every person who is an Owner shall be a Class A member of the Association. Class A membership shall be appurtenant to and may not be separated from the ownership of a Lot.

(b) Class B. The Declarant shall be a Class B member. No other person, except a successor to substantially all of the interest of the Declarant in the Real Estate, shall hold a Class B membership in the Association.

Section 3.02. Voting Rights.

(a) Class A Members. Each Lot shall have appurtenant thereto one (1) vote which may be cast by the Owners thereof who are present in person or proxy pursuant to the voting

procedures established in the By-Laws.

(b) Class B Members. The Class B member, if present, in person or by proxy, shall be entitled to fifty (50) votes for each Lot owned in the Real Estate.

(c) Casting of Votes. Members who are not natural persons shall designate by written notice to the Secretary of the Association the name of an individual who is authorized to exercise the right of such Member to vote. The name of such individual shall be kept on the records of the Association and may be changed only by written notice to the Secretary.

(d) Tabulation of Votes. In any matter upon which a vote of the Members is required or allowed, the votes of Class A members and the Class B member shall be totaled and considered as though there were a single class membership.

#### Section 3.03. Termination of Membership.

(a) Class A Members. Membership in the Association shall lapse and terminate when a Class A member ceases to be an Owner.

(b) Class B Member. Membership in the Association shall lapse and terminate as provided in the Declaration.

Section 3.04. Suspension of Membership Rights. No Class A or Class B member may be expelled from membership in the Association for any reason. The Board of Directors shall have the right to suspend the voting rights of a Class A member for a period during which any Assessment or charge owed by the Member remains unpaid in excess of thirty (30) days.

Section 3.05. Meetings of Members. All meetings of the Members shall be held at such place within the State of Indiana as may be designated by the Board of Directors pursuant to the provisions of the By-Laws.

Section 3.06. No Preferences, etc. There shall be no other preferences, limitations, or restrictions with respect to the relative rights of the Members.

### ARTICLE IV

#### Meetings of Association

Section 1. Purpose of Meetings. At least annually and at such other times as may be necessary or appropriate, a meeting of the Members shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Assessments, and for such other purposes as may be required by the Declaration, these By-Laws, or the Articles.

Section 2. Annual Meetings. The first annual meeting of the Members shall be held upon call of the Declarant within ninety (90) days following the Applicable Date or at

such earlier time as may be selected by Declarant or required by law; and all subsequent annual meetings shall be held on any date selected by the Board of Directors which is within the month of February. At each annual meeting, the Members shall elect the Board of Directors of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting, subject to the rights and powers of Declarant to select the Initial Board of Directors, etc.

Section 3. Special Meetings. Special meetings of the Members may be called at any time following the Applicable Date and may be called by: (a) the President, (b) the Board of Directors, or (c) upon written request of the Members who were entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 4. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meetings, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies, entitled to cast one-fourth (1/4) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these By-Laws. If, however, such quorum shall not be present, or represented, at any meeting, the Members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 6. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

Section 7. Conduct of Meetings. Meetings of Members, including the order of business, shall be conducted in accordance with Roberts Rules of Order, Revised, except insofar as the Articles, these By-Laws, or any rule adopted by the Board of Directors or Members may otherwise provide. The Members present at such meetings may, by unanimous consent, waive the requirements of Article IV, Section 7 but such waiver shall not preclude any Member from invoking the requirements of this Article at any subsequent meeting.

## ARTICLE V

### Board of Directors

Section 1. Management. The Business and affairs of the Association shall be governed and managed by the Board of Directors (herein sometimes collectively called “Board” and individually called “Directors”). The initial Board of Directors shall be composed of three (3) persons appointed by Declarant (“Initial Board”). After the expiration of the term of the Initial Board as provided in the Declaration, the Board shall be composed of three (3) persons. No person shall be eligible to serve as Director unless he or she is an Owner or the agent of an Owner who is not an individual, or is an attorney, agent or employee of Declarant.

Section 2. Term of Office and Vacancy. The entire membership of the Board of Directors shall be elected at each annual meeting of the Association. Each member of the Board of Directors shall be elected for a term of one (1) year. Each Director shall hold office throughout the term of his election and until his successor shall be elected and qualified. Any vacancy or vacancies occurring on the Board shall be filled by a vote of the majority of the remaining Directors or by a vote of the Members if a Director shall be removed in accordance with Section 3 of this Article. The Director so filling a vacancy shall serve until the next annual meeting of the Members and until his or her successor shall be elected and qualified.

Section 3. Removal of Directors. Any Director, other than a member of the Initial Board, may be removed with or without cause by a vote of the majority of the votes entitled to be cast a special meeting of the Owners duly called and constituted for such purpose. In such case, his or her successor shall be elected at the same meeting from eligible members nominated at the meeting.

Section 4. Duties of the Board of Directors. The Board of Directors shall be the governing body of the Association, representing all of the Members and being responsible for the functions and duties of the Association, including, but not limited to, the management, maintenance, repair, upkeep, and replacement of the Common Property, collection of the Common Assessments, and payment of the Common Expenses. The Board may employ a Managing Agent upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which shall include, but not be limited to:

(a) Landscaping, maintenance, repairs, management, upkeep, and replacement of the Common Property;

(b) Assessment and collection from the Members of the Members’ respective shares of the Common Expenses;

(c) Preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Member at the same time as the notice of the annual or special meeting at which the same is to be acted upon;

(d) Preparation and delivery annually to the Members of a full accounting of all receipts and expenses incurred by the Association in the preceeding year, such report to be provided not later than with the notice of the annual or special meeting.

(e) Preparation of a current, accurate, and detailed record of receipts and expenditures affecting the Common Property and the business and affairs of the Association, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by a Member at any time during normal business hours;

(f) Preparation and maintenance for the benefit of the Association, the Members, any Managing Agent, and the Board of Directors, of the insurance coverage's required by the Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;

(g) Payment of any and all taxes and assessments which shall be assessed against and connection with the Common Property; and

(h) All duties and obligations which shall be imposed upon the Association or the Board under the Declaration, the Articles, these By-laws, or the Plat of Carlton Heights Sections 5 and 6.

Section 5. Powers of the Board of Directors. The Board of Directors shall have such powers as shall be reasonable and necessary to accomplish the performance of its duties. These powers shall include, but not be limited to, the powers:

(a) To employ a Managing Agent to assist the Board in performing its duties;

(b) To acquire the use of such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors to perform its functions and duties;

(c) To employ such legal counsel, architects, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary or desirable to perform its functions and duties;

(d) To employ designate, discharge, and remove such personnel as in the judgment of the Board of Directors may be necessary for the maintenance, upkeep, repair, and replacement of the Common Property, and to perform all other maintenance, upkeep, repair and replacement duties of the Association and the Board;

(e) To include the costs of performing all of its functions, duties and obligations as Common Expenses and to pay all such costs therefrom;

(f) To open and maintain a bank account or accounts in the name of the Association: and

(g) To promulgate, adopt, revise, amend, and alter from time to time such addition of rules and regulations with respect to the use, occupancy, operation, and enjoyment of the Common Property as the Board, in its discretion, shall deem necessary or advisable, provided that copies of any such rules and regulations so adopted by the Board shall be promptly delivered to all Members.

Section 6. Limitations of Board Actions. The authority of the Board to enter into contracts shall be limited to contracts involving a total expenditure of less than Five Thousand Dollars (\$5,000.00) without obtaining the prior approval of the majority of the cumulative vote of the Members, except that in the following cases such approval shall not be necessary:

(a) Contracts for replacing or restoring portions of the Common Property which shall have been damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received or for which the insurance carrier has acknowledged coverage;

(b) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget which shall have been approved by the Members at the annual meeting; and

(c) Expenditures necessary to deal with emergency conditions in which the Board of Directors reasonable shall believe that there is insufficient time to call a meeting of the Members.

Section 7. Compensation. No Director shall receive any compensation for his or her services except to such extent as may be expressly authorized by a majority vote of the Members. The Managing Agent, if any shall be employed, shall be entitled to reasonable compensation for its services, the costs of which shall be a Common Expense.

Section 8. 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 the Directors. The Secretary shall give notice of regular meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting. A special meeting 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 personally, by mail, telegram or by telephone, and at least three (3) days prior to the date of such special meeting, but immediately upon receipt of notice from person(s) calling the meeting, give notice to the Directors. The notice of the meeting shall contain a statement of the purpose for which the meeting was called. Such meeting shall be held at such place as shall be designated in the notice.

Section 9. Non-liability of Directors. The Directors shall not be liable to the Members or any other person for any error or mistake of judgment which may be exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith, or gross negligence. It is intended that the Directors shall have no personal liability with respect to any contract which may be made by them on behalf of the Association.

Section 10. Indemnification. Every person who is or was a Director, Officer or employee of the Association shall be indemnified by the Association against all liability and reasonable expense incurred by such person in his or her official capacity, provided that such person is determined in the manner specified in Ind. Code Section 23-1-37-8 (as that section may be amended from time to time). Upon demand for such indemnification,

the Association shall proceed as provided in Ind. Code Section 23-1-37-12 (as that section may be amended from time to time) to determine whether such person is entitled to indemnification. Nothing contained in this section shall limit or preclude the exercise of any right relating to indemnification of or advance of expenses to any Director, Officer, employee or agent of the Association or the ability of the Association to otherwise indemnify or advance expenses to any Director, Officer, employee or agent.

Section 11. Interest of Directors in Contracts. Any contract or other transaction between the Association and one or more of its Directors, or between the Association and any firm of which one or more of its Directors are members or employees, or in which they are interested, or between the Association and any corporation, partnership or association of which one or more of its Directors are shareholders, members, directors, officers or employees, or in which they are interested, or in which the Association is a member, shareholder, or otherwise interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting of the Board of Directors of the Association which acts upon, or in reference to, such contract or transaction and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve or ratify such contract or transaction, by a vote of a majority of the disinterested Directors present, notwithstanding the fact that such majority of the disinterested Directors present may not constitute a quorum, a majority of the Board of Directors, or a contract or transaction is considered. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

## ARTICLE VI

### Officers and Their Duties

Section 1. Officers of the Association The principle offices of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint a Assistant Treasurer and 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.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each election thereof. Officers may serve unlimited consecutive terms. Upon recommendation of a majority of all members of the Board and upon an affirmative vote of a majority of all Members, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 3. Vacancies. Whenever any vacancies shall occur in any of the offices of the Association for any reason, the same may be filled by the Board of Directors at any meeting thereof, and any officer so elected shall hold office until the expiration of the term of the officer causing the vacancy and until a successor shall be duly elected and qualified.



Section 4. Compensation. No officer shall receive any compensation for his services as such, except as may be fixed by action of the Board of Directors, duly recorded.

Section 5. The President. The President shall be elected from among the Directors and shall be Chief Executive Officer of the Association. He 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 the President or Chief Executive Officer of an association or a stock corporation organized under the laws of the State of Indiana.

Section 6. The Vice-president. The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these By-Laws may prescribe or as shall, from time to time, be imposed upon him by the Board or by the President.

Section 7. The Secretary. The secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of 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 shall perform such other duties as from time to time may be prescribed by the Board. If required, the Secretary shall attest the execution by the Association of deeds, leases, agreements, and other official documents. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed, or delivered, in accordance with the provisions of these By-Laws.

Section 8. The 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 who shall perform all other duties incident to the office of Treasurer. He shall be legal custodian of all monies, notes, securities, and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name and for the exclusive benefit of the Association.

## ARTICLE VII

### Committees

Section 1. The Board of Directors shall appoint an Architectural Review Committee as provided in the Declaration, and may from time to time create and appoint standing and special recommendations, carry on functions for the purposes of the Association, and perform such other duties as the Board may from time to time prescribe.

## ARTICLE VIII

### Assessments

Section 1. As more fully provided in the Declaration, each Member is obligated to pay to the Association Regular and Special Assessments which are secured by liens against their respective Lots. Any Common Assessment which shall not have been paid within thirty (30) days following the due date thereof, shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. The Association may bring an action at law or in equity against the Member personally obligated to pay the same for a monetary judgment and to foreclose the lien against the Lot, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such judgment. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Property or abandonment of his or her Lot.

## ARTICLE IX

### Miscellaneous

Section 1. Code of By-Laws. The Board of Directors of the Association shall have power, without the assent or vote of the Members, to enact, alter, amend or repeal the Code of By-Laws of the Association, but the affirmative vote of a number of Directors equal to a majority of the number who would constitute a full Board of Directors at the time of such action shall be necessary to take any action for the inaction, alteration, amendment or repeal of the Code of By-Laws.

Section 2. Amendments of Articles Incorporation. The Association reserves the right to amend, alter, change or repeal any provision contained in the Articles of Incorporation, or in any amendment hereto, or to add any provision to the Articles of Incorporation or to any amendment thereto, in any manner now or hereafter prescribed or permitted by the provisions of any applicable statute of the State of Indiana; and all rights conferred upon Members in the Articles of Incorporation or any amendment thereto are granted subject to this reservation.