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✓ MAR 24 1997

Jim Shickler
RECORDER MONROE CO., IN

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BOOK 244 PAGE 262

AMENDMENT TO PEPPERGRASS HOMEOWNERS' ASSOCIATION BY-LAWS

The following amendments were unanimously approved at the annual meeting of the Peppergrass Homeowners' Association held January 22, 1997, and are to be incorporated into the By-Laws of Peppergrass Homeowners' Association, Inc., (formerly Meadow Ridge Homeowners' Association, Inc.).

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Article V, Section 2:

Delete the following:

"The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted."

Substitute the following:

"In the event there are more nominees than there are vacancies, the persons receiving the highest number of votes shall be elected to the vacancies. The remaining nominees shall be elected as alternates and will be numbered in order according to the highest number of votes received. Alternates will be called to serve unexpired terms as vacancies occur during the year in which elected, with alternate number 1 being called first, etc. Alternate Directors are elected for one year only unless they fill an unexpired term during the year. They may be reelected as directors or alternates at subsequent annual meetings. This amendment will be effective January 22, 1997."

Article VIII, Section 8, paragraph (D) currently reads:

"Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by public accountant at the completion of each fiscal year, and shall prepare an annual budget

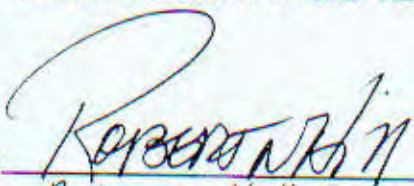
and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members."

and shall be amended to read:

"Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit to be made by an Audit Committee to be comprised of a minimum of two non-board members. The two members shall be appointed by the Board of Directors. As a minimum, the audit shall consist of verification of the accuracy of accounts and record keeping. The committee shall make a report of findings to the Homeowners' Association at the annual meeting. The treasurer shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members."

Dated the 13 day of March, 1997.

PEPPERGRASS HOMEOWNERS' ASSOCIATION

By: 
Robert N. Hill President


, Sec./Treas.

State of Indiana)
)ss:
County of Monroe)

On this 13 day of March, 1997, before me, the undersigned, a Notary Public in and for said county and state, personally appeared Robert Hill and Bill Quenna, the President and Sec./Treas. respectively of Peppergrass Homeowners' Association, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.

Julia Costley
Julia Costley Notary Public

My Commission Expires:

11-29-00

A resident of Monroe County, IN

This instrument prepared by : Kerry L. Weger, 635 North College Avenue, Bloomington IN 47404;
(812) 334-3386

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BOOK 218 PAGE 164
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Paul H. ...
RECORDER MONROE CO., IN

BY-LAWS OF
PEPPERGRASS HOMEOWNERS'
ASSOCIATION, INC.

(formerly Meadow Ridge Homeowners' Association, Inc.)

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ARTICLE I.

Name and Location

The name of the corporation is Peppergrass Homeowners' Association, Inc., an Indiana not-for-profit corporation, which will be referred to as the "Association." This entity was formerly known as Meadow Ridge Homeowners' Association, Inc. The principal office of the corporation shall be located at 654 Heather Drive, Bloomington, Indiana 47401, but meetings of members and directors may be held at such places within Monroe County, Indiana as may be designated by the Board of Directors.

ARTICLE II.

Definitions

Section 1. "Properties" shall mean all the real estate (41.49 acres) described in the Declaration of Covenants, Conditions and Restrictions, and its amendments, which are under the jurisdiction of the Association.

Section 2. "Declaration" shall mean the consolidated Amended Declaration of Covenants, Conditions and Restrictions of Meadow Ridge Village and Peppergrass applicable to the Properties recorded in the office of the Recorder of Monroe County, Indiana. "Declaration" shall also include any subsequent amendments.

Section 3. "Member" shall mean those persons entitled to membership in the Association as provided in the Declaration, as amended.

Section 4. All other definitions are the same as those stated in the Amended Declaration and any subsequent amendments.

ARTICLE III.

Meetings of Members

Section 1. Annual Meetings. Annual meetings of the members of the Association shall be held on the dates and times as designated by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to cast one-fourth ($\frac{1}{4}$) of all the votes.

Section 3. 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 meeting, by mailing a copy of such notice, postage prepaid, at least 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, an agenda or the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. 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 of the Lot. All proxy revocations shall be in writing and delivered to the secretary of the Association at least one day prior to the scheduled meeting.

ARTICLE IV.

Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, all of whom shall be members of the Association. At the Board's discretion this number may be increased to eleven (11).

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association.

However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6. Quorum. A majority of the actual number of directors elected and qualified, from time to time, shall be necessary to constitute a quorum.

ARTICLE V.

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee 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 shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each 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 from among members.

Section 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI.

Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place, date, and time as may be designated by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every

act or decision done or made by a majority of the directors present at a duly held meeting at which quorum is present shall be regarded as the act of the board.

ARTICLE VII.

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

(A) adopt and publish rules and regulations governing the use of the Common area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(B) suspend a member's voting rights and right to use the recreational facilities of the Association for a continuous period of sixty (60) days during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such a suspension shall be in effect only after notice and hearing, but each violation shall constitute a separate violation meriting a separate suspension of privileges;

(C) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration;

(D) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from four (4) regular meetings of the Board of Directors during any calendar year; and

(E) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(A) 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 one-fourth ($\frac{1}{4}$) of the members who are entitled to vote;

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

(C) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each annual assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within fifteen (15) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(D) issue, or to cause an appropriate officer or the Managing Agent to issue, a certificate setting forth whether or not any assessment has been paid, provided that the request is made with the consent of the Owner of the Lot which is the subject of the request; charge a reasonable fee for the issuance of such certificates, such certificates being conclusive evidence of the status of such payment;

(E) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(F) cause all officers, directors, and employees having fiscal responsibilities to be covered by liability insurance, as it may deem appropriate;

(G) cause the Common area to be maintained;

(H) repair and maintain the utility lines from the meter to the Lot or building upon the Lot, or from the utility main to the Lot or building upon the Lot (and to repair damage to grounds or landscaping and to return it to its original condition).

(I) maintain the exterior of the buildings on the Lots (unless the maintenance is required because of the negligent or willful act of the Lot Owner or the Lot Owner's guests or invitees) EXCEPT the following, which shall be the responsibility of each Owner as to such Owner's Lot:

(1) replacement of light bulbs;

(2) repair and replacement of screen doors, patio screens, and window screens;

(3) replacement of doorbells and knockers;

(4) repair and replacement of electrical and plumbing fixtures;

(5) repair and replacement of exterior privacy fences, exterior decks or patios;

- (6) repair and replacement of air conditioning units;
- (7) repair and replacement of exterior door handles and locks;
- (8) repair and replacement of garage door handles and locks;
- (9) repair and maintenance of landscaping installed by the Lot Owners; such landscaping including, but not being limited to, ground cover maintenance, shrub maintenance and weed control.

ARTICLE VIII.
Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a Secretary, and a treasurer, and such other offices as the Board may from time to time by resolution create.

Section 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 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to service.

Section 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 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 later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 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 replaces.

Section 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 8. Duties. The duties of the officers are as follows:

(A) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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

(C) Secretary. 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 (if any) of the Association 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.

(D) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

(E) Miscellaneous. Any two persons from among the Managing Agent, the President, and the Treasurer shall jointly sign all Association checks. Further, the Board of Directors may delegate various responsibilities to the Managing Agent.

ARTICLE IX. Committees

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X.
Books and Records

The books, records and papers of the Association shall at all times, during reasonable office hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI
Assessments

The Board of Directors shall have the power to collect the annual and special assessments as provided by the Amended Declaration.

ARTICLE XII.
Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

ARTICLE XIII.
Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

218 - 172

The undersigned, Charles Kennedy, in his capacity as President of the Peppergrass Homeowners' Association, hereby certifies that the foregoing Amended Declaration of Covenants, Conditions and Restrictions of Meadow Ridge Village and Peppergrass was approved by more than ninety percent (90%) of the Owners of the units at Peppergrass (formerly known as Meadow Ridge Village), in accordance with existing Declaration and By-Laws on or about December 15, 1992.

DATED this 31 day of December, 1992.

Charles Kennedy
Charles Kennedy, President
Peppergrass Homeowner's Association

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Subscribed and sworn to before me, a Notary Public in and for said county and state, this ____ day of December, 1992, at which time Charles Kennedy personally appeared and acknowledged the execution of the above and foregoing to be a voluntary act and deed.

My Commission Expires:
1-28-96

Melissa Davis
Melissa Davis, Notary Public
A resident of Monroe County

This Instrument Prepared By
MORRIE ERICKSON, Attorney at Law
Sturbridge Center, 810 Auto Mall Road
Bloomington, Indiana 47401
Telephone: (812) 335-1111