

BYLAWS
OF
HARRISON WEST PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I
NAME

Section 1.1. Name. The name of this Corporation shall be **Harrison West Property Owners Association, Inc.** hereinafter referred to as the "Corporation".

ARTICLE II
PURPOSES

Section 2.1. Purposes. The purposes of the Corporation are:

(a) To generally carry out the purposes of the Property Owners Association provided for in the Declaration of Covenants and Restrictions dated January 4, 2001 and recorded on January 8, 2001 as Document No. 2001-000556 in the office of the Recorder of Porter County, hereinafter "Declaration," which shall include all amendments and supplements thereto, for the development known as Harrison West.

(b) To own, maintain and operate common properties and facilities, to administer and enforce covenants and restrictions applying to the property located within the subdivision known as Harrison West and to collect and distribute assessments and charges therefor.

(c) To engage in any and all activities related or incidental to the foregoing, including, but not limited to, powers to acquire, own, hold, use, sell, lease, mortgage, or pledge any property real or personal, tangible or intangible, legal or equitable, to loan or invest its own money upon such security or on such securities as may from time to time be determined by the Board of Directors.

(d) To do any and all things necessary, convenient or expedient as permitted by the Indiana Nonprofit Corporation Act for the accomplishment of any of the purposes or the furtherance of any of the powers hereinabove set forth, either alone or in association with other corporations, firms or individuals.

(e) No part of the net earnings of the Corporation other than by acquiring, constructing or providing management maintenance in care of association property and other than by a rebate of excess membership dues, fees or assessments shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth.

(f) Notwithstanding any other provisions set forth herein, the Corporation shall not carry on any activities not permitted to be carried on by a Corporation exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 or corresponding provisions of any future additions of the Internal Revenue Code.

ARTICLE III

MEETINGS OF MEMBERS

Section 3.1. Membership. Every person or entity who is a record owner of a Lot in Harrison West (exclusive of any area deemed to be a Common Area) or who is the owner of the Eleanor Property as identified in the Declaration (exclusive of any area deemed to be a Common Area) shall be a member of the Corporation irrespective of the inclusion, exclusion, incorporation by reference, or any specific expression or lack thereof to the effect in the deed or other documents of conveyance. Membership is appurtenant to and shall not be separated from ownership of a Lot or property subject to the Declaration. Thus, membership shall automatically terminate upon the sale, transfer, or other disposition by a member of his ownership of a Lot or property subject to the Declaration at which time the new owner shall automatically become a member of the Corporation.

Such membership may not be sold or transferred other than in conjunction with the sale or transfer of the title interest in the lot to which it is appurtenant.

If more than one person or entity is the record owner of property subject to the Declaration, all such persons or entities shall be members.

Each member of the Corporation shall be bound by and shall observe the terms and provisions of the Declaration of Harrison West, the Articles of Incorporation, these By-laws, and the

rules and regulations promulgated from time to time by the Corporation or its Board of Directors.

Any person or entity who holds an interest in a lot in Harrison West or the Eleanor Property merely as a security for the performance of an obligation or any person in possession of a lot or the Eleanor Property under a contract to purchase such lot shall not be a member of the Corporation.

No member shall have any right or power to disclaim, terminate, or withdraw from his membership in the Corporation or from any of his obligations as such member by abandonment of his residence or for any other reason.

Ownership of a lot in Harrison West or the Eleanor Property shall be the sole qualification for membership and there shall be one membership for each lot and one membership for the Eleanor Property.

Section 3.2. Annual Meeting. An annual meeting of the members shall be held on the first Wednesday in the month of February, or at such other reasonable time or date not more than thirty (30) days before or after said date as may be designated by written notice of the Board of Directors delivered to the membership no less than ten (10) days prior to the date fixed for said new meeting, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Indiana, such meeting shall be held on the next succeeding business day. Said meeting may be held at such other reasonable time or date not more than thirty days before or after said date as may be designated by written notice of the Board of Directors delivered to the membership not less than ten days prior to the date fixed for said new meeting.

Section 3.3. Special Meetings. Special meetings of the voting members may be called at any time for the purpose of considering matters which by the terms of the Declaration require the approval of all or some of the voting members, or for any other reasonable purpose. Said meetings may be called by the President, the Board of Directors, or the voting members having, in the aggregate, not less than twenty-five percent (25%) of the total votes of the Corporation.

Section 3.4. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Indiana, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting

shall be otherwise called, the place of the meeting shall be the principal office of the Corporation in the State of Indiana but if all of the members shall meet at any time and place, either within or without the State of Indiana and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 3.5. Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered or mailed by the Secretary, or by the officer or person calling the meeting to each member of record entitled to vote at that meeting, at the address which appears on the records of the Corporation, at least ten (10) days before the date of meeting. Notice of any meeting of members may be waived in writing filed with the Secretary or by attendance in person.

Section 3.6. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 3.7. Voting Rights. The Corporation shall have two classes of voting members:

- a. Class A: Class A members shall be all record owners of lots in Harrison West (exclusive of any lot deemed to be Common Area) and the owners of the Eleanor Property (exclusive of any lot deemed to be Common Area) with the exception of the Declarant as provided in the Declaration.
- b. Class B: The only class B member shall be Harrison West LLC (herein referred to as "Declarant").

For purposes of these Bylaws, the Eleanor Property shall be considered a lot in Harrison West. The Class A members shall be entitled to one vote for each lot owned. If more than one member is the record owner, then the vote for that lot shall be exercised as those members amongst themselves determine. No more than one vote shall be cast with respect to any such lot.

The Class B member shall be entitled to four votes for each lot owned. No more than four votes shall be cast with respect to any such lot.

The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first;

- a) upon conveyance of the title of the last lot in Harrison West; or
- b) whenever the Class B member elects to do so.

The Corporation shall have the right to suspend the voting rights of any member for any period during which an assessment levied by the Corporation against the member's lot remains unpaid.

Section 3.8. Designation of Voting Representative. The vote for any membership which is held by more than one person shall be exercised by any one of them unless any objection or protest by any holder of such membership is made prior to the completion of a vote, in which case the vote of the membership shall not be counted.

Section 3.9. Quorum. At any duly called meeting of the Corporation, the number of members present at such meeting, together with those members represented by valid proxy, shall constitute a quorum, so long as not less than fifty percent (50%) of the voting members are either present or represented by proxy. Unless otherwise expressly provided herein or required by the Indiana Nonprofit Corporation Act or the Articles of Incorporation of the Corporation, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members having majority of the total votes present at such meeting.

Section 3.10. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the members or his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 3.11. Voting List. The Secretary, or Assistant Secretary of the Corporation, shall keep at all times, at the principal office of the Corporation, a complete and accurate list of all members entitled to vote at any meeting of the members which may be inspected by any member, for any purpose, at any reasonable time.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. General Powers. The control and management of the affairs of the Corporation shall be vested in its Board of Directors. Directors must be members of the Corporation.

Section 4.2. Number and Tenure. The initial Board of Directors of this Corporation shall consist of three (3) members appointed by the Declarant. Said Directors shall be selected by the Declarant and shall not be required to be members of the Corporation. The initial Board of Directors shall hold office until the first Wednesday in February of the year following, whichever occurs first:

- (a) the conveyance by the Declarant of the title to one hundred percent (100%) of the total number of lots in Harrison West, and the completion and occupancy of the single family homes on one hundred percent (100%) of the total number of lots in Harrison West; or
- (b) At such time prior to (a) above, as determined by the Declarant in its sole discretion.

The initial Board of Directors reserves the right to transfer control and management of the Corporation to the second Board of Directors at any time it so decides irrespective of the criteria set forth herein.

Section 4.3. Classification of Directors. When the initial Board of Directors of three Directors shall cease to hold office as specified herein, there shall be a meeting of the members of the Corporation for the purpose of electing a second Board of Directors. Said Board of Directors shall consist of five directors who shall hold office for two-year terms. However, in said first Board of five Directors, three of the five Directors receiving the highest number of votes shall hold office for two years and the remaining Director shall hold office for one year only. There shall be an annual election to fill the offices of the directors whose terms are expiring. Said election shall occur at the annual membership meeting. Cumulative voting shall not apply in the election of the Directors. Each lot shall have the number of votes as specified herein.

Section 4.4. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than these Bylaws, immediately after and at the same place as, the

annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the State of Indiana, for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 4.5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Indiana, as the place for holding any special meeting called by them.

Section 4.6. Notice of Special Meetings. Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

Section 4.7. Quorum. A majority of the entire Board of Directors shall constitute a quorum. However, when filling vacancies occurring in the Board of Directors, a majority of the existing Directors shall constitute a quorum.

Section 4.8. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4.9. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof 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 or of such committee as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 4.10. Power to Appoint Executive Committee. The Board of Directors shall have power to appoint by resolution adopted by a majority of the entire Board an executive committee composed of two or more Directors, who, to the extent provided in such resolution, shall have and

exercise the authority of the Board of Directors in the management of the business of the Corporation between meetings of the Board.

Section 4.11. Power to Make Bylaws. The Board of Directors shall have the power to make and alter any bylaw or bylaws, including the fixing and altering of the number of Directors provided such do not conflict with the Declarant's rights set forth in the Declaration.

Section 4.12. Power to Elect and Appoint Officers. The Board of Directors shall elect a president, vice-president, a secretary and a treasurer. The Board shall have the power to appoint such other officers and agents as the Board may deem necessary for transaction of the business of the Corporation. Any officer or agent may be removed by the Board of Directors whenever in the judgment of the Board, the interests of the Corporation will be served thereby. The Board shall also have power to fill any vacancy in any office occurring for any reason whatsoever.

Section 4.13. Delegation of Powers. For any reason deemed sufficient by the Board of Directors, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties of any officer to any other officer or Director, but no officer or Director shall execute, acknowledge or verify any instrument in more than one capacity.

Section 4.14. Powers and Duties of the Board of Directors. All the powers and duties of the Corporation existing under Indiana law, the Declarations, Articles of Incorporation, and these Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by the membership when such is specifically required. The Board may delegate such of its duties and/or responsibilities as it may deem appropriate.

Section 4.15. Loans and Encumbrances. The Corporation through the Board of Directors may not obtain a loan, whether secured or unsecured, or encumber the assets of the Corporation without approval by the majority of the total votes of the Corporation present in person or by written proxy at a membership meeting called for this purpose. The presence in person or by proxy at said meeting by the voting members of the Corporation having fifty percent of the total votes shall constitute a quorum. However, said loan or encumbrance must be approved by not less than fifty percent of the total number of votes of the Corporation. This provision shall not restrict the power of the Board or the Corporation to contract for goods or services in the ordinary course of the Corporation's operations.

This provision may not be amended unless fifty percent of the total number of votes of the Corporation present either in person or by written proxy approves such amendment at a meeting called for this purpose all in accordance with the provisions of the Declaration.

Section 4.16. Liability of Directors. The members of the Board (including the initial Board of three Directors and the subsequent Board of five Directors), and the Officers of the Corporation shall not be liable to the Corporation or Association or any individual lot owner, including the Eleanor Property, for any mistake of judgment or acts or omissions made in good faith while acting in their capacity as Directors or Officers. The Corporation shall indemnify and hold harmless the members of the Board and the Officers thereof against all contractual liability to others arising out of contracts made by them, unless such contracts shall have been made in bad faith or with knowledge that same was contrary to the provisions of the Declaration. The liability of any owner shall be limited to an amount determined by dividing the total liability by the total number of owners subject to the terms of the Declaration. All contracts and agreements entered into by the Board or officers shall be deemed executed by said parties as the case may be as agent for the owners or the Corporation.

Section 4.17. Assessments. The Board shall make and collect assessments against members to defray the costs and expenses of the management and operation of the Corporation and the common areas.

Section 4.18. Disbursements. The Board shall use the proceeds of the assessments in the exercise of its powers and duties.

Section 4.19. Responsibility for Maintenance, Repair and Replacement. The Corporation shall be responsible for the maintenance, repair, and replacement of the following in Harrison West:

- a. entrance monuments and signs, including accompanying landscaping;
- b. detention or retention basins, including accompanying landscaping;
- c. all streets, including any median strips or cul-de-sac islands;
- d. any property owned or leased by the Corporation.
- e. all such other areas or property, real or personal, as required by the terms of the Declaration.

The owners of lots on which exist entrance monuments and signs, detention or retention basins shall permit the Corporation, through its designated members, employees, or agents, to come upon their lot. Further, said owners may not prune, remove, or otherwise alter the vegetation or grass planted in said areas. No signs of any type whatsoever, including "For Sale" signs, shall be permitted in the said areas.

Section 4.20. Maintenance. It shall be responsibility of the Board to maintain, repair and/or replace the following:

- a. All common areas; and
- b. All incidental damage caused by work done by direction of the Board.
- c. all such other areas or property, real or personal, as required by the terms of the Declaration.

Section 4.21. Insurance. The Board of Directors shall be authorized to acquire insurance coverage from time to time as it may deem appropriate.

Section 4.22. Regulation. The Board shall have the right to promulgate such reasonable rules and regulations as it may deem necessary with respect to the maintenance, use and enjoyment of the common areas as well as the use of individual units. Such rules and regulations, other than those set forth in the Declaration, shall be circulated to all members and copies shall be made available for inspection by the Secretary charged with keeping a formal record of all proceedings by the Board. The rules and regulations may be amended or retracted from time to time by the Board.

Section 4.23. Committees. The Board shall have the power to designate and appoint such committees as it may deem necessary to properly manage and operate the Corporation. Individuals other than Board members may be appointed to such committees.

Section 4.24. Enforcement. The Board shall have the general power to enforce any and all of the provisions, covenants, and restrictions set forth in the Declaration, the Articles of Incorporation, these Bylaws, and any rules and regulations promulgated from time to time by the Corporation or the Board.

ARTICLE V
OFFICERS

Section 5.1. Officers. The Board of Directors shall elect or appoint the Officers of the Corporation. The Officers of the Corporation shall be a president, vice-president, secretary, treasurer and such other officers as may be deemed desirable by the Board of Directors. All Officers of the Corporation shall be Directors. Any two or more offices may be held by the same person, except the offices of president and secretary unless that person is the Declarant or a member thereof.

Section 5.2. Election and Term of Office. The Officers of the Corporation shall be elected annually from among and by the Board of Directors at the regular annual meeting of the Board of Directors. Each Officer shall hold office for one year or until his successor shall have been duly elected and shall have qualified, unless earlier removed by the Board of Directors. All Officers and agents can be removed at any time by the affirmative vote of the majority of the members of the Board of Directors. Officers shall be eligible for re-election.

Section 5.3. President. The President shall be the Chief Executive Officer of the Corporation. He shall preside at all meetings of the Board of Directors and membership. Under the Board's direction he shall have general supervision over the affairs of the Corporation and over the other Officers. He shall sign all written contracts of the Corporation. He shall perform all such other duties as are incident to this office.

Section 5.4. Vice-President. The Vice-President shall perform the duties specified in Section 5.3 of this Article in the absence or disability of the President. In addition, he shall perform duties and assignments which may from time to time be delegated by the President or the Board.

Section 5.5. Treasurer. The Treasurer shall have custody of all monies and securities of the Corporation and shall give bond in such sums and with such surety as the Directors may require, conditioned upon the faithful performance of his office. He shall perform all such other duties as are incident to this office as Treasurer.

Section 5.6. Secretary. The Secretary shall have the responsibility for providing that notices required by these Bylaws be issued, and shall provide that minutes of all meetings of the Board of Directors and membership be adequately kept. He shall have responsibility for all

corporate books, records and papers, any and all written contracts of the Corporation and shall be custodian of the corporate seal, if any. He shall perform all such other duties as are incident to his office.

Section 5.7. Vacancies. Vacancies among elected and appointed Officers occurring during the annual terms thereof shall be filled by the Board of Directors.

ARTICLE VI COMMITTEES

Section 6.1. Standing and Special Committees. The President shall, with the approval of the Board of Directors, appoint such standing or special committees of such size as the President or Board of Directors may deem necessary to properly carry on the activities and effect the purposes of the Corporation. Such committees shall perform as the President or the Board of Directors may direct.

ARTICLE VII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 7.1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 7.2. Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors, and such instruments shall be signed by the Treasurer, and countersigned by the President or Vice-President of the Corporation.

Section 7.3. Accounts. The receipts and expenditures of the Corporation shall be credited and charged to accounts in accordance with generally accepted accounting principles.

There shall be at least two accounts established at a local financial institution authorized to do business in Porter County, Indiana. One account, which may be a management company's

trust account, shall be utilized as its day-to-day operating account. The second account shall be an interest-bearing account established for the Reserve Assessment. Such other accounts may be established from time to time as the Board may deem necessary.

Section 7.4. Budget. The Board of Directors shall adopt a budget for each fiscal year which shall include the estimated funds required to defray common expenses and to provide and maintain funds for the necessary accounts in accordance with generally accepted accounting principles. Copies of the budget and proposed assessment shall be transmitted to each member at least thirty (30) days preceding the fiscal year for which said budget has been made.

Section 7.5. Assessments. The Board of Directors shall make and collect assessments according to the provisions of the Declaration.

Section 7.6. Bank Depository. The depository of the Corporation shall be such bank or banks authorized to do business in Porter County, Indiana, as shall be designated from time to time by the Directors and in which the monies of the Corporation shall be deposited. Withdrawals of monies from such accounts shall be only checks signed by such persons as are authorized by the Board of Directors.

Section 7.7. Accounting. An annual accounting shall be prepared and submitted to the members not later than ten (10) days prior to the annual meeting.

Section 7.8. Bonds. Fidelity bonds may be required by the Board of Directors from all persons handling or responsible for the Corporation funds. The amount of such bonds shall be determined by the Directors. The premium of such bonds shall be paid by the Corporation.

Section 7.9. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Corporation.

ARTICLE VIII

BOOKS AND RECORDS

Section 8.1. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote.

All books and records of the Corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE IX
FISCAL YEAR

Section 9.1. Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

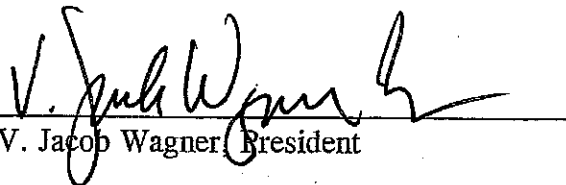
ARTICLE X
CORPORATE INDEMNIFICATION

Section 10.1. Indemnification. 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 Corporation shall be indemnified by the Corporation as provided in the Act.

ARTICLE XI
AMENDMENTS TO BYLAWS

Section 11.1. Amendments. These Bylaws may be amended by the affirmative vote of a majority of the Board of Directors, provided that the text of the proposed amendments shall have been sent to all Directors with the call for the meeting at least ten (10) days in advance of such meeting.

These By-Laws of the Harrison West Property Owners Association, Inc. duly adopted this 16th day of APRIL, 2001



V. Jacob Wagner, President