

KENSINGTON FARMS HOMEOWNERS ASSOCIATION, INC.
DELINQUENCY POLICY RESOLUTION

WHEREAS, the Kensington Farms Homeowners Association, Inc. ("Association") is responsible for the maintenance, improvement, repair, and operation of the residential community in [Marion] County, Indiana known as Kensington Farms HOA , including, but not limited to, the payment of insurance thereon, the cost of labor, equipment, material furnished with respect to the common areas, [as well as certain portions of the homes]; and

WHEREAS, by purchasing a home within the community, each owner covenanted and agreed to pay assessments to the Association for their pro rata share of the Association's common expenses; and

WHEREAS, there is a need to clarify and ratify orderly procedures now and previously in effect for the collection of assessments which remain unpaid past their due date since delinquent assessments pose a serious financial and administrative burden on the Association.

NOW, THEREFORE, BE IT RESOLVED that the duly elected Directors of the Association have adopted the following procedures, rules and regulations for the collection of assessments:

1. Assessments are due and payable in advance for each fiscal year annually, with the due dates being the 1st day January. Collections shall be handled by the Association's property management company.
2. To be deemed timely, payments must be received (not just postmarked) by the due date at the office or P.O. Box of the Association's property management company.
3. A "Reminder Notice" shall be mailed to owners who have not paid on or after the 30th day after the applicable due date.
4. Any payment or installment not received within 30 days after the applicable due date shall result in a late charge of \$ 50.00 being added to the delinquent owner's account for which the owner is responsible, which shall be deemed a part of the indebtedness to the Association.
5. An "Overdue Notice" shall be mailed to owners with a delinquent balance on or shortly after such 30 days which shall include the late charge, giving the owner 15 days to pay the delinquent assessment and the late charge.
6. A "Final Notice" shall be mailed by first class mail on or shortly after 10 days of the date of the Overdue Notice. This Final Notice shall advise the owner that unless payment in full is received within 10 days of such notice, the matter may be referred to the Association's attorney at which time the owner will be responsible for all attorneys fees, expenses, and court costs. All of the Association's collection costs and expenses incurred, including a collection cost/administration fee to its property management company, which is presently \$75.00, will be added to the account and shall be deemed to be a part of the indebtedness owned to the Association. The property manager's collection cost is to pay for the manager's additional time and expenses related to handling the delinquent account and dealing with the Association's attorney.
7. If an owner is still delinquent 10 days after the date of the Final Notice, the matter may be turned over to the Association's attorney with instructions to pursue the collection thereof in the manner recommended by the Association's attorney. Thereafter, all communications by the delinquent owner must be directed to the attorney.
7. Any payments received at any time for less than the full amount then due shall not be accepted as full payment.
8. Payments received will be applied in the following order: (1) attorneys fees, court costs and expenses incurred by the Association, (2) collection costs of the Association's property management company, (3) late charges, (4) charges incurred by the Association for "bounced" or "stopped payment" checks, then (5) outstanding assessments.

KENSINGTON FARMS HOMEOWNERS ASSOCIATION, INC.
Board of Directors
Minutes of Special Board Meeting
August 14, 2007

A special meeting of the Board of Directors of Kensington Farms Homeowners Association ("Association"), after proper notice, was duly held on the 14th day of August, 2007, at 6:30 p.m. All Directors were present except Eric Hench.

Upon motion duly made and seconded and with the approval and affirmative vote of a majority of the Directors, it was:

RESOLVED THAT, the Association hereby adopts and /or affirms the Delinquency Policy Resolution, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

Dated: August 17, 2007

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a horizontal line.

President of the Association

ACTION BY WRITTEN CONSENT

SECOND AMENDMENT TO BYLAWS OF KENSINGTON FARMS HOMOEOWNERS ASSOCIATION, INC.

This Second Amendment to the By-Laws of Kensington Farms Homeowners Association, Inc. ("Second Amendment") is made effective on this 8th day of May, 2007.

RECITALS:

Pursuant to the provisions of Article VIII of the By-Laws of Kensington Farms HOA, inc. ("By-Laws"), said By-Laws are amended as follows:

Number, Term, and Appointment of Board of Directors.

Section 3.2 of the By-Laws (First Amendment, adopted January 11, 2001) is hereby deleted in its entirety and replaced with the following:

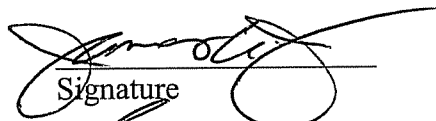
Section 3.12. Number, Term and Appointment. The Board of Directors shall consist of five (5) Directors ("Executive Directors"). Each of the individual Community Associations (Arrowleaf, Blue Wood, Foxglove, Waterleaf, and Wintercress) shall appoint one (1) member of its own Board to serve on this Corporation's Board of Directors. Each such Executive Director shall serve a term of two (2) years, which must coincide with the two (2) year term for which that person simultaneously serves as a Director of his or her Community Association. The terms of the Executive Directors shall be staggered such that three (3) are appointed in one year, with two (2) appointed in the next year.

An addition^{al} four (4) Directors ("Directors at Large") may be appointed at any time by the Executive Directors. These Directors will serve for a one (1) year term. Directors at Large will have all the same duties and powers as the Executive Directors as outlined in these By-Laws. Directors at Large may be members of any Community Association (Arrowleaf, Blue Wood, Foxglove, Waterleaf, and Wintercress) as long as any one Community Association does not have more than four (4) Directors (Executive and At Large).

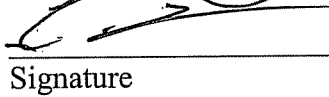
Despite the expiration of any Director's term, the Director continues to serve (unless removed or resigns) until a successor is appointed or elected and qualified.

Except as specifically modified hereby, the By-Laws remain in full force and effect.

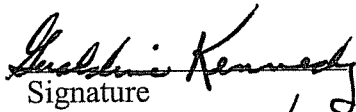
IN WITNESS WHEREOF, the undersigned, being all members of the Board of Directors, have executed the Second Amendment as of the date first written above.


Signature

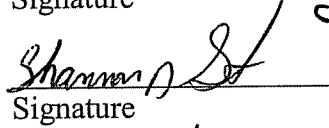
JAMES A DIVEN
Printed


Signature

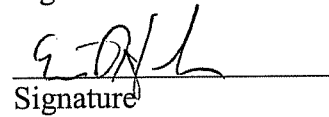
Chad Cannon
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Signature

Geraldine Kennedy
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Signature

Shannon Sexton
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Signature

Eric Hench
Printed

ACTION BY WRITTEN CONSENT

FIRST AMENDMENT TO BYLAWS
OF KENSINGTON FARMS HOMEOWNERS ASSOCIATION, INC.

This First Amendment to Bylaws of Kensington Farms Homeowners Association, Inc. ("First Amendment") is made effective on this 11 day of January, 2000.

RECITALS:

Pursuant to the provisions of Article VIII of the Bylaws of Kensington Farms Homeowners Association, Inc. ("Bylaws"), said Bylaws are amended as follows:

Number, Term, and Appointment of Board of Directors.

Section 3.2 of the Bylaws is hereby deleted in its entirety and replaced with the following:

Section 3.2. Number, Term, and Appointment. The Board of Directors shall consist of five (5) Directors, said number corresponding with the number of Community Associations within Kensington. The Boards of Directors of each of the Community Associations (being Arrowleaf, Blue Wood, Foxglove, Waterleaf, and Wintercress) shall appoint a member of its own Board to serve on this Corporation's Board of Directors. Each such Director shall serve a term of two (2) years, which must coincide with the two (2) year term for which that person simultaneously serves as a Director of his or her Community Association. The terms of the Directors shall be staggered such that three (3) are appointed in one year, with two (2) appointed in the next year. Despite the expiration of a Director's term, the Director continues to serve until a successor is appointed or elected and qualified.

Except as specifically modified hereby, the Bylaws remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being all members of the Board of Directors, have executed this First Amendment as of the date first written above.

Ray Van Wynsberghe
Signature

Gary W. Byard
Signature

S. C. Engorking
Signature

Ray Van Wynsberghe
Printed

GARY W. BYARD
Printed

S. C. ENGORKING
Printed

Derrell Dole
Signature

David Hofmann
Signature

Derrell Dole
Printed

David Hofmann
Printed



BYLAWS
OF
KENSINGTON FARMS "WINTERCRESS", INC.

ARTICLE I

Membership

Section 1.1. Members. As provided in the Articles of Incorporation, members of Kensington Farms "Wintercress" (the "Corporation") are divided into Class A members and the Class B member. Class A members are all Owners of Lots. The Class B member is the Declarant. A member shall be deemed in good standing so long as the member remains in compliance with the covenants and obligations of an Owner under the Supplemental Declarations and under the terms of the Articles of Incorporation, Bylaws of the Corporation and as otherwise determined by the Board of Directors.

Section 1.2. Membership Certificates. The Corporation will not have membership certificates unless otherwise authorized by the Board of Directors. The form of any such certificate, if authorized, shall be prescribed by the Board of Directors.

Section 1.3. Duration of Membership; Resignation. By accepting a deed to a Lot which is part of the Development the Lot Owner shall be deemed to have consented to become and remain a member of the Corporation and to be subject to all restrictions, assessment fees and obligations imposed upon members. A member whose membership terminates as allowed by law will continue to be subject to all restrictions, assessment fees and obligations imposed upon members and termination of membership does not relieve the member from any obligations the member may have to the Corporation as a result of obligations incurred or commitments made

before or after such termination, including any unpaid dues, fees or assessments. All rights and privileges of a member in the Corporation shall cease on the termination of membership.

Section 1.4. Expulsion, Suspension, and Termination. A member may be expelled or suspended and a membership may be terminated or suspended only under a procedure that is fair and reasonable and carried out in good faith, as provided by law. Sufficient cause for suspension or termination of voting membership shall include, but not be limited to, violation of these Bylaws, nonpayment of dues, fees or assessments, if any, violation of any lawful rule or practice duly adopted by the Corporation, or any other conduct prejudicial to the interests of the Corporation.

Section 1.5. Dues, Fees, and Assessments. Subject to the Articles of Incorporation, the amount of any membership fees, dues, and assessments applicable to membership in the Corporation or to any class of such membership and the time and manner of payment thereof shall be determined by the Board of Directors.

ARTICLE II

Meetings of Members

Section 2.1. Annual Meeting. The annual meeting of the members of the Corporation shall be held at 10:00 a.m. on the 5th day of January of each year or the next following business day if the 5th is not a business day, or at such other time as may be designated by the Board of Directors. Annual meetings of the members should be held within the earlier of six (6) months after the close of the fiscal year and fifteen (15) months after the Corporation's last annual meeting. The failure to hold an annual or regular meeting at a time stated in or fixed in accordance with these Bylaws does not affect the validity of any corporate action or work any

forfeiture or dissolution of the Corporation. Annual membership meetings shall be held at the place specified in the notice of the meeting, otherwise such meeting shall be held at the Corporation's principal office. At the annual meeting of members, the President and the Treasurer, or their designees, shall report on the activities and financial condition of the Corporation, respectively.

Section 2.2. Regular Meetings. The Corporation may hold regular membership meetings at the times stated in or fixed by a resolution of the Board of Directors. Regular membership meetings shall be held at the place specified in the notice of the meeting, otherwise such meeting shall be held at the Corporation's principal office.

Section 2.3. Special Meetings. Special meetings of the members may be called by the President, by the Board of Directors, or by one or more petitions in writing signed, dated and delivered by at least two (2) members. Such petition or petitions must be presented to the President or Secretary of the Corporation and demand a special meeting and describe the purpose for which the meeting is to be held. Special membership meetings shall be held at the place specified in the notice of meeting, otherwise such meeting shall be held at the Corporation's principal office.

Section 2.4. Participation. A member may participate in an annual, a regular, or a special meeting of the members by or through the use of any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating by this means is considered to be present in person at the meeting.

Section 2.5. Notice of Meetings. Written notice stating the place, date and time of any meeting of the members and, if the quorum of members for the meeting is less than one-third

(1/3) or in the case of special meetings, or when otherwise required by law, a description of the purpose or purposes for which such meeting is called, shall be delivered or mailed (first class or registered) by the Corporation to each member of record entitled to vote at such meeting, at such address as appears on the records of the Corporation, at least ten (10) but not more than sixty (60) days before the date of such meeting, on being notified of the place, date and time thereof by the officers or persons calling the meeting. Notice shall also be given to any Mortgage holder on a Lot who has requested notice of meetings. Notwithstanding the foregoing, action taken by the members shall not be invalidated, and notice shall not be considered improper, if notice, including oral notice, is given in a fair and reasonable manner.

Section 2.6. Waiver of Notice. Notice of any meeting may be waived in writing by any member before or after the date and time of the meeting, if the waiver is signed by the member and delivered to the Corporation for inclusion in the minutes or filing with the Corporation's records. A member's attendance at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning objects to holding the meeting or transacting business at the meeting, and (b) waives any valid objection to consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the member objects to considering the matter when the matter is presented.

Section 2.7. Voting Rights. Except as may otherwise be provided in the Articles of Incorporation, each member of record of the Corporation shall be entitled to vote on each matter voted on by the members.

Section 2.8. Date of Determination of Voting Rights. The Board of Directors may fix a record date to determine the members entitled to notice of a members' meeting, to demand a

special meeting, to vote or to take any other action; provided, however, that the record date may not exceed seventy (70) days prior to the meeting or action requiring a determination of members. In the absence of action by the Board of Directors to fix a record date as herein provided, the record date shall be the fourteenth (14th) day prior to the meeting or action requiring a determination of members.

Section 2.9. Voting by Proxy. A member entitled to vote at any meeting of members may vote either in person or by proxy. A member may appoint a proxy to vote or otherwise act for the member by signing an appointment form personally or by a duly authorized attorney-in-fact of such member. (For purposes of this section, a copy of a signed proxy that has been telecopied shall be deemed "signed" by the member.) An appointment of a proxy is valid for eleven (11) months, unless a longer or shorter period is specified in the appointment form. No proxy shall vote at any meeting of members unless the appointment form designating such proxy shall have been filed with the Secretary or other officer or agent authorized to tabulate votes.

Section 2.10. Quorum; Voting. At any meeting of members, ten percent (10%) of the votes entitled to be cast on a matter, represented in person or by proxy, shall constitute a quorum for action on the matter, unless a higher quorum shall be required by law, the Articles of Incorporation, or these Bylaws. Notwithstanding the foregoing, unless at least one-third (1/3) of the voting power is present in person or by proxy, the only matters that may be voted on at a meeting of the members are those matters that are described in the meeting notice. After a vote is represented for any purpose at a meeting, the vote is considered present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a

new record date is or must be set for that adjourned meeting. If a quorum exists, action on a matter other than the election of directors is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless a greater number is required by law, the Supplemental Declaration, the Articles of Incorporation or these Bylaws.

When a corporation or trust is an Owner or is otherwise entitled to vote, the trustees 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.

Section 2.11. Voting List. 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 by the Articles of Incorporation of the Corporation. After fixing a record date for notice of a meeting, the Corporation shall prepare a list of the names of the Corporation's members who are entitled to notice of the members' meeting. The list must show the address and number of votes each member is entitled to vote at the meeting. Subject to the limitations described below, the list of members must be available for inspection by a member for the purpose of communication with other members concerning the meeting, beginning five (5) business days before the date of the meeting for which the list was prepared and continuing through the meeting, at the Corporation's principal office or at the place identified in the meeting notice where the meeting will be held, and the list must be available for inspection at any time during the meeting or any adjournment. Subject to the limitations described below, a member may also inspect and copy, at any reasonable time and reasonable location specified by the Corporation, the Corporation's membership list if the member gives the Corporation written notice at least

five (5) days before the member desires to inspect and copy the same; provided, however, the following conditions must exist:

- (a) the member's demand must be in good faith and for a proper purpose,
- (b) the member must describe with reasonable particularity the purpose for the inspection, and
- (c) the membership list must be directly connected with the purpose.

Notwithstanding the foregoing, the Corporation in any event may refuse to provide names or identifying information relating to contributors.

Section 2.12. Conduct of Meetings. Meetings of members, including the order of business, shall be conducted in accordance with such rules as the Board of Directors may adopt.

Section 2.13. Action by Written Ballot. An action that may be taken at an annual, a regular, or a special meeting of members, may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter. The ballot must set forth each proposed action, and provide an opportunity to vote for or against each proposed action. Approval by written ballot is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and when the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting. A solicitation for votes by written ballot must indicate the number of responses needed to meet the quorum requirements, state the percentage of approvals necessary to approve each matter other than the election of directors, and specify the time by which a ballot must be received by the Corporation to be counted. A written ballot may not be revoked once received by the Corporation.

Section 2.14. Action by Consent. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if the action is approved by members holding at least eighty percent (80%) of the votes entitled to be cast on the action. The action must be evidenced by at least one (1) written consent which describes the action taken, is signed by the members representing at least eighty percent (80%) of the votes entitled to be cast on the action, and is delivered to the Corporation for inclusion in the minutes or filing with the Corporation's records. Requests for written consents must be delivered to all members entitled to vote. Action taken by written consent is effective when the last member necessary to meet the eighty percent (80%) requirement signs the consent, unless a prior or subsequent effective date is specified in the consent.

ARTICLE III

Board of Directors

Section 3.1. Duties and Qualifications. The business and affairs of the Corporation shall be managed by the Board of Directors. Other than the initial Board of Directors, a director must be a member, the agent of a member who is not a natural person, or an agent, attorney or employee of Declarant.

Section 3.2. Number, Term, Appointment and Election.. The Board of Directors shall consist of a minimum of three (3) directors and a maximum of nine (9) directors. Upon incorporation and until expiration of the term of office of directors appointed by the Class B member, the Board of Directors shall consist of three (3) directors. After expiration of the term of office of directors appointed by the Class B member, the exact number of directors shall be specified from time to time by resolution of the Board of Directors. Other than the directors

appointed by the Class B member, the directors shall be elected at the annual meeting of the members of the Corporation by the assent of two-thirds (2/3) of a Quorum. The term of office of a director elected by the members of the Corporation shall be one (1) year. Despite the expiration of a director's term, the director continues to serve until a successor is appointed or elected and qualifies, or until there is a decrease in the number of directors.

Section 3.3. Vacancies. Any vacancy among the appointed directors caused by death, resignation, removal, increase in the number of directors, or otherwise may be filled by the person or entity appointing the director. Any vacancy among the elected directors caused by death, resignation, removal, increase in the number of directors, or otherwise may be filled by a majority vote of the remaining members of the Board of Directors. The term of office of a director chosen to fill a vacancy of an elected director shall expire at the later of the next annual meeting of the members or at such time as a successor shall be duly elected and qualifies.

Section 3.4. Removal. Any appointed director may be removed, with or without cause, by the person or entity appointing the director upon such written notice as is required by law. Any elected director may be removed, with or without cause, by the members whenever the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.

Section 3.5. Annual Meetings. Unless the Board of Directors determines otherwise, the Board of Directors shall meet immediately following the annual meeting of the members, at the place where such meeting of members was held, for the purpose of election of officers of the Corporation and consideration of any other business which may be brought before the meeting. No notice shall be necessary for the holding of an annual meeting.

Section 3.6. Other Meetings. Regular meetings of the Board of Directors may be held pursuant to a resolution of the Board to such effect, and shall be held whenever convenient for the Board of Directors. Unless otherwise provided by the Board of Directors, regular meetings shall be held at the Corporation's principal office. No notice shall be necessary for any regular meeting. Special meetings of the Board of Directors may be held upon the call of the President or any two directors then in office and upon at least seventy-two (72) hours' notice specifying the date, time, place and purpose or purposes of the meeting, given to each director either personally or by mail, telegram, facsimile transmission, or telephone. Oral notice is authorized. A director may waive any required notice of an annual, regular, or special meeting. The waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not vote for or assent to action taken at the meeting.

Section 3.7. Quorum; Voting. One-third (1/3) of the directors in office when action is taken, but in no event fewer than two (2) directors, shall be necessary to constitute a quorum for the transaction of any business at a meeting of the Board of Directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present when the act is taken shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 3.8. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the action is taken by all

directors. The action must be evidenced by at least one (1) written consent describing the action to be taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent unless the consent specifies a prior or subsequent effective date.

Section 3.9. Executive Committee. The Board of Directors may create an Executive Committee of the Corporation, which shall consist of at least two (2) directors, appointed from among the directors by a majority of all the directors in office when the action is taken. During intervals between meetings of the Board of Directors, the Executive Committee shall have and exercise all of the authority of the Board of Directors in the management of the Corporation, except where prohibited by law. In addition, the Executive Committee, to the extent specified by the Board of Directors, may exercise the authority of the Board of Directors, except where prohibited by law. The Executive Committee shall cause minutes of its proceedings to be kept and filed with the minutes of the proceedings of the Board of Directors.

Section 3.10. Other Committees. The Board of Directors may from time to time create and appoint standing, special, or other committees to undertake studies, make recommendations, and carry on functions for the purpose of efficiently accomplishing the purposes of the Corporation. Committees, to the extent specified by the Board of Directors, may exercise the powers, functions, or authority of the Board of Directors, except where prohibited by law; provided, however, that if a committee is to exercise board powers, functions, or authority, (a) all the persons serving on the committee must be directors, (b) there must be at least two (2) persons on the committee, and (c) the creation of the committee and the appointment of its members shall be by a majority of all directors in office when the action is taken.

Section 3.11. Duties of the Board of Directors. The Board of Directors shall undertake the following duties on behalf of the Corporation and shall, in the performance of the following duties, be subject to all applicable provisions of the Supplemental Declaration:

- (a) Repair and replacement of the Community Facilities;
- (b) Landscaping maintenance of the Community Facilities;
- (c) Determination of the appropriate amount and use of any regular, special or community assessment;
- (d) Assessment and collection from the Owners of (i) each Owner's proportionate share of the common expenses, (ii) each Owner's pro-rata share of community assessments, and (iii) special assessments;
- (e) Determination and distribution of any rebate of excess membership dues, fees or assessment;
- (f) Establishment and maintenance of a replacement/working capital reserve fund;
- (g) 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 annual meeting is mailed or delivered;
- (h) Preparing and delivering annually to the members a full accounting of all receipts and expenses incurred during each year, which accounting shall be delivered to each member simultaneously with delivery of the annual budget;
- (i) Keeping a current, accurate, and detailed record of receipts and expenditures affecting the Community Facilities specifying and itemizing the expenses

(all records and vouchers shall be available for examination by a member at any time during normal business hours); and

(j) Procuring and maintaining in force all insurance coverage required by the Supplemental Declaration.

Section 3.12. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonably necessary or appropriate to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) To employ a professional managing agent or real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

(b) To purchase for the benefit of the members such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors;

(c) To procure all such insurance as is required or permitted under the Supplemental Declaration, for the benefit of the members and the Corporation;

(d) 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 the Corporation;

(e) To include the costs of all of the above and foregoing as community assessments and/or special assessments and to pay all of such costs therefrom;

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

(g) Subject to the provisions of the Supplemental Declaration, to adopt, revise, amend, and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation, and enjoyment of individual Lots, the Community Facilities; provided that the Board shall give written notice to the Owners of such rules and any revision, amendment, or alteration thereof. All Owners, their families, tenants, guests, invitees, agent, and any other person who might use or occupy a Lot or any part of the Development shall be subject to all rules and regulations promulgated by the Board of Directors.

Section 3.13. Limitations on Powers of Board of Directors. After expiration of the term of office of directors appointed by the Class B member, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than Fifty Thousand Dollars (\$50,000), unless the prior approval of the members is obtained, except in the following cases:

(a) Supervision and management of the replacement or restoration of any portion of the Community Facilities damaged or destroyed by fire or other casualty, where the cost thereof is payable out of insurance proceeds actually received; and

(b) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the members at the annual meeting.

The Board of Directors shall not raise the total annual assessment in any year against any Lot during the first year after the date of the Supplemental Declaration in excess of Fifty Dollars (\$50.00).

ARTICLE IV

Officers

Section 4.1. Officers and Qualifications Therefor. The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer. The officers shall be chosen by the Board of Directors. In addition, the Board of Directors shall, when requested to do so by Kensington Farms Homeowners Association, Inc., select one of its members to serve on the Board of Directors of Kensington Farms Homeowners Association, Inc. Any two (2) 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.

Section 4.2. Terms of Office. Each officer of the Corporation shall be elected by the Board of Directors at its annual meeting and shall hold office for a term of one (1) year and until a successor shall be duly elected and qualified, or until resignation, removal, or death.

Section 4.3. Vacancies. Whenever any vacancies shall occur in any of the offices of the Corporation for any reason, the same may be filled by the Board of Directors, and any officer so elected shall hold office until the expiration of the term of the officer causing the vacancy and until the officer's successor shall be duly elected and qualified.

Section 4.4. Removal. Any officer of the Corporation may be removed, with or without cause, at any time, by the Board of Directors.

Section 4.5. Compensation. Each officer of the Corporation shall receive such compensation for his services in such office as may be fixed by action of the Board of Directors.

ARTICLE V

Powers and Duties of Officers

Section 5.1. President. The President, if present, shall preside at all meetings of the members and the Board of Directors. At each annual meeting of members, the President or the President's designee shall report on the activities of the Corporation. Subject to the general control of the Board of Directors, the President shall manage and supervise all of the affairs of the Corporation and shall perform all of the usual duties of the chief executive officer of a corporation.

Section 5.2. Vice President. Subject to the general control of the Board of Directors, if the President is not present, the Vice President shall discharge all the usual functions of the President and shall have such other powers and duties as these Bylaws, the Board of Directors, or an officer authorized by the Board may prescribe.

Section 5.3. Secretary. The Secretary shall attend all meetings of the members and of the Board of Directors, and prepare, keep, or cause to be kept, a true and complete record and minutes of the proceedings of such meetings, and shall perform a like duty, when required, for all committees appointed by the Board of Directors. If required, the Secretary shall attest the execution by the Corporation of deeds, leases, agreements and other official documents. The Secretary shall attend to the giving and serving of all notices of the Corporation required by these Bylaws, shall have custody of the books (except books of account) and records of the Corporation, shall be responsible for authenticating records of the Corporation, and in general shall perform all duties pertaining to the office of Secretary and such other duties as these Bylaws, the Board of Directors or an officer authorized by the Board may prescribe.

Section 5.4. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. The Treasurer shall have charge and custody of, and be responsible for, all funds, notes, securities and other valuables which may from time to time come into the possession of the Corporation and shall deposit, or cause to be deposited, all funds of the Corporation with such depositories as the Board of Directors shall designate. At each annual meeting of the members, the Treasurer, or the Treasurer's designee shall report on the financial condition of the Corporation. The Treasurer, or the Treasurer's designee, shall furnish, at meetings of the Board of Directors or whenever requested, a statement of the financial condition of the Corporation, and in general shall perform all duties pertaining to the office of Treasurer.

Section 5.5. Assistant Officers. The Board of Directors may from time to time designate and elect assistant officers who shall have such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as these Bylaws or the Board of Directors may prescribe. An Assistant Secretary may, in the absence or disability of the Secretary, attest the execution of all documents by the Corporation.

ARTICLE VI

Notices and Mortgagees

Section 6.1. Notice of Assessments. Upon ten (10) days' written notice to the Corporation and the payment of a reasonable fee, the Corporation 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 subject Lot, together with the amount of the current assessments for

common expenses and the community assessments and the date(s) such assessments become due and payable. Any such written statement shall be binding upon the Corporation in favor of any person relying thereon in good faith.

Section 6.2. Financial Statements. The Corporation, upon the request of any mortgagee and the payment of a reasonable fee, shall provide to said mortgagee the most recent financial statement prepared on behalf of the Corporation.

Section 6.3. Notice to Mortgagees. The Corporation shall promptly provide to any mortgagee, of whom the Corporation has been provided notice under this Article VI, notice of any of the following:

- (a) Any proposed termination of the Corporation;
- (b) Any condemnation or casualty loss that affects either a material portion of the Common Area or the building(s) or improvements on any Lot securing its mortgage;
- (c) Any delinquency in the payment of regular assessments, community assessments or special assessments owed by the Owner of any Lot securing its mortgage, if said delinquency continues for more than sixty (60) days;
- (d) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Corporation; and
- (e) Any proposed action that requires the consent of a specified percentage of mortgages.

Any notice required to be given to the mortgagee pursuant to the terms of the Supplemental Declaration or these Bylaws shall be deemed effectively given if mailed to such mortgagee at the address shown in the Corporation's record. Unless notification of any mortgages and the

name and address of the mortgagee are furnished to the Secretary, either by Owner or by the mortgagee, no notice to any mortgagee as may be otherwise required by the Supplemental Declaration or these Bylaws shall be required, and no mortgagee shall be entitled to vote on any matter on which he otherwise may be entitled to vote by virtue of the Supplemental Declaration or these Bylaws or by proxy granted to such mortgagee in connection with the mortgage.

Section 6.4. Availability of Information. The Corporation shall keep and shall make available to prospective purchasers of Lots, upon request at reasonable business hours, copies of the Supplemental Declaration, Bylaws, current rules and regulations, if any, and the most recent financial statement of the Corporation.

ARTICLE VII

Miscellaneous

Section 7.1. Corporate Seal. The Corporation may, but need not, have a corporate seal. The form of any such corporate seal may be specified in a resolution of the Board of Directors. A corporate seal, however, shall not be required for any purpose, and its absence shall not invalidate any document or action.

Section 7.2. Execution of Contracts and Other Documents. Unless otherwise ordered by the Board of Directors, all written contracts and other documents entered into by the Corporation shall be executed on behalf of the Corporation by the President or Vice President, and, if required, attested by the Secretary or an assistant secretary.

Section 7.3. Fiscal Year. The fiscal year of the Corporation shall begin on January 1 of each year and end on the immediately following December 31.

Section 7.4. Capitalized Terms. Words capitalized herein shall have the same meaning as set forth in the Articles of Incorporation.

ARTICLE VIII

Amendments to Bylaws

Subject to law and the Articles of Incorporation, the power to make, alter, amend or repeal all or any part of these Bylaws is vested in the Board of Directors. The Corporation must provide notice to the directors of any meeting at which an amendment to the Bylaws is to be considered and voted upon. No amendment to these Bylaws which is inconsistent with the provisions of the Supplemental Declaration may be made. These Bylaws may be amended concurrently with the Supplemental Declaration.

IRR0309A

**FIRST AMENDMENT TO BYLAWS
OF KENSINGTON FARMS "WINTERCRESS", INC.**

THIS FIRST AMENDMENT TO BYLAWS OF Kensington Farms "Wintercress", Inc. ("First Amendment") is made effective on this 31st day of October, 1999.

RECITALS:

Pursuant to the provisions of Article VIII of the Bylaws of Kensington Farms "Wintercress", Inc. ("Original Bylaws"), the Original Bylaws are hereby amended, as follows:


1. Board of Directors.
 - a. Duties of the Board of Directors. Sections 3.11(a), 3.11(b) and 3.11(i) of the Original Bylaws are hereby deleted in their entirety.
 - b. Powers of the Board of Directors. The reference to "Community Facilities" in Section 3.12(g) of the Original Bylaws is hereby deleted.
 - c. Limitations on Powers of Board of Directors. Section 3.13(a) of the Original Bylaws is hereby deleted in its entirety.
2. Officers. The third sentence of Section 4.1 of the Original Bylaws is hereby amended by replacing the words "of its members" with the words "person currently serving on the Board of Directors."
3. Powers and Duties of Officers. Article V of the Original Bylaws is hereby amended by adding new Section 5.6 which shall read as follows:

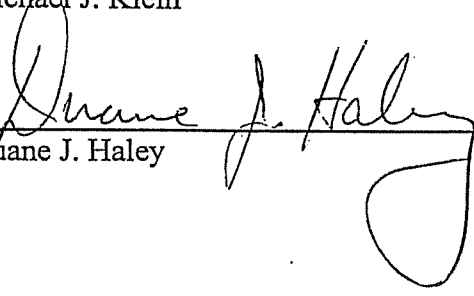
Development Control Committee Chair. The Board of Directors shall appoint one (1) of the officers of the Corporation to serve as the chair of the Development Control Committee (the "DCC"), the functions of which committee are described in the Supplemental Declaration.

Except as specifically modified hereby, the Original Bylaws remain in full force and effect.

IN WITNESS WHEREOF, the undersigned members of the Board of Directors have executed this First Amendment as of the date first written above.



Sol C. Miller

Michael J. Klein

Duane J. Haley