

OPERATING AGREEMENT
FOR
DEVELOPMENT LLC

THIS OPERATING AGREEMENT is made and entered into as of the 14th day November, 2000, by and among the undersigned parties, as the initial members ("Initial Member") of [REDACTED] LLC, an Indiana Limited Liability Company.

PRELIMINARY STATEMENT

[REDACTED] Development LLC, an Indiana Limited Liability Company (the "Company"), was organized November 8, 2000. [REDACTED] (the "Organizer") acted as the Organizer to form the Company under the laws of the State of Indiana by the filing of Articles of Organization (the "Articles") for the Company with the Indiana Secretary of State on November 14, 2000 pursuant to the Indiana Business Flexibility Act (the "Act") on behalf of [REDACTED] Inc., an Indiana Not-For-Profit Corporation, and [REDACTED] Inc., an Indiana For Profit Corporation, the Initial Members. A Certificate of Organization of [REDACTED] Development LLC was issued by the Indiana Secretary of State on November 14, 2000. The Initial Members now desire to adopt this Operating Agreement to govern certain aspects of the operations of the Company and to set forth the rights and obligations of the Initial Members and any Additional Member or Substitute Member (as defined below), and their respective successors and assigns.

The Agreement to Organize Limited Liability Company signed by the parties hereto prior to organization is incorporated by reference for purpose of discerning intent of the parties.

TERMS AND CONDITIONS

In consideration of the mutual covenants and agreements contained in this Agreement, and intending to be legally bound thereby, the undersigned party hereby agrees to the following terms and conditions.

ARTICLE I

STATEMENT OF PURPOSE

The parties to this Agreement have formed this Company for the purposes of community development through the construction or rehabilitation and sale of single-family housing affordable to low and moderate income families. The parties intend to work with each other for the benefit of the Community to develop and implement the Project. The parties recognize and acknowledge that the success of the development and implementation of the Project is wholly dependent on the parties working together, providing an exchange of information, consulting with

each other and fulfilling their respective duties and obligations hereunder, recognizing that each party brings to this endeavor its own unique perspective and experience. The parties acknowledge that their investment in this venture is speculative and that the financial success of the Project is not assured.

DEFINITIONS

Unless the context or rules of grammar otherwise require or unless otherwise expressly provided in this Agreement, the capitalized terms used in this Agreement shall have the meanings specified in this Article I, as set forth below:

Section 1.1. "**Act**" means the Indiana Business Flexibility Act (Ind. Code 23-18, et seq.), as the same may be amended from time to time.

Section 1.2. "**Additional Member**" means any Person admitted as a Member pursuant to Section 10.1 of this Agreement.

Section 1.3. "**Affiliate**" means any Person, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with a Member. The term "control", as used in the immediately preceding sentence, means, with respect to a corporation, the right to exercise, directly or indirectly, more than Fifty (50%) percent of the voting rights of such corporation and, with respect to any other Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies thereof.

Section 1.4. "**Agreement**" means this Operating Agreement, as originally executed and as amended from time to time.

Section 1.5. "**Approved by Members**" means consented to by all of the Members. "Consent" for this purpose means either the written consent of a Member or the affirmative vote, including by proxy, of such Member at a meeting, as the case may be, through its Representative or Substitute Representative, to do that for which the consent is given.

Section 1.6. "**Articles**" means the Articles of Organization filed by the Company with the Indiana Secretary of State and as amended or restated from time to time.

Section 1.7. "**Assignee**" means a Person to whom all or part of a Member's Interest has been Transferred, but who has not been admitted as a Substituted Member.

Section 1.8. "**Available Cash**" of the Company means all cash funds of the Company on hand from time to time (other than cash funds obtained as

contributions to the capital of the Company by the Members and cash funds obtained from loans to the Company) after (i) payment of all operating expenses of the Company as of such time, (ii) provision for payment of all outstanding and unpaid current obligations of the Company as of such time, and (iii) provision for a reasonable working capital reserve, if such a reserve is established by a Majority in Interest of the Members.

Section 1.9. **"Bankruptcy"** means (i) the entry of a decree or order for relief against the Member by a court of competent jurisdiction in any involuntary case brought against the Member under any bankruptcy, insolvency or other similar law (collectively, "Debtor Relief Laws") generally affecting the rights of creditors and relief of debtors now or hereafter in effect, (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar agent under applicable Debtor Relief Laws for the Member or for any substantial part of its assets or property, (iii) the ordering of the winding up or liquidation of the Member's affairs, (iv) the filing of a petition in any such involuntary bankruptcy case, which petition remains undismissed for a period of 180 days or which is not dismissed or suspended pursuant to Section 303 of the Federal Bankruptcy Code (or any corresponding provision of any future United States bankruptcy law), (v) the commencement by the Member of a voluntary case under any applicable Debtor Relief Law now or hereafter in the member to the entry of an order for case under any such law or to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar agent under any applicable Debtor Relief Laws for the Member or for any substantial part of its assets or property, or (vii) the making by a Member of any general assignment for the benefit of its creditors.

Section 1.10. **"Capital Account"** means the account established and maintained for each Member in the manner prescribed by Section 8.1 of this Agreement.

Section 1.11. **"Capital Contribution"** means the total value of any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services that a person transfers to the Company in the capacity as a member, as shown on Exhibit "B" attached to and made a part of this Agreement, as the same may be amended from time to time. Any reference in this Agreement to the Capital Contribution of a Member shall include all Capital Contributions previously made by any prior Member for the interest of such Member, and shall be reduced by any Distribution(s) to such prior Member in return of the Member's Capital Contribution(s) as contemplated in this Agreement.

Section 1.12. **"Code"** means the Internal Revenue Code of 1986, as amended. All references in this Agreement to Code Sections shall include any and

all corresponding provisions of succeeding laws.

Section 1.13. "**Company**" refers to [REDACTED] Development LLC, an Indiana Limited Liability Company.

Section 1.14. "**Event of Dissociation**" means the withdrawal, resignation, removal, Bankruptcy or corporate dissolution of a Member, or the assignment by a Member of such Member's Interest following which the assignee of such Interest becomes a Member without the consent of all other Members.

Section 1.15. "**Former Member**" means the Member whose actions, conduct or status has resulted in an Event of Dissociation, and thereafter such Person is no longer a Member.

Section 1.16. "**Initial Members**" refers to [REDACTED], Inc., an Indiana Not-For-Profit Corporation, and [REDACTED], Inc., an Indiana For Profit Corporation.

Section 1.17. "**Interest**" means a Member's economic rights in the Company, including the Member's share of the profits and losses of the Company and the right to receive distributions from the Company, as set forth in the Act, the Articles and this Agreement.

Section 1.18. "**Majority in Interest of the Members**" means the Member(s) who have made more than Fifty (50%) percent of the total Capital Contributions made by all Members, as stated in the records of the Company, and to the extent that such Capital Contributions have not been previously returned.

Section 1.19. "**Manager**" means the Person or Persons designated pursuant to Section 6.1.

Section 1.20. "**Member**" means a Person admitted to membership in the Company in accordance with the Act, the Articles and this Agreement, and as to whom an Event of Dissociation has not occurred.

Section 1.21. "**Operating Agreement**" means this Agreement.

Section 1.22. "**Non-Profit Member**" means [REDACTED] Inc., an Indiana nonprofit corporation, executing this Agreement as a Member of the Company and existing as an exempt organization described in section 501(c) of the Code.

Section 1.23. "**Percentage Interest**" of a Member means the percentage of such Member set forth opposite the name of such Member under the column

"Percentage Interest" on Exhibit "B", as such percentage may be adjusted from time to time pursuant to the terms of this Agreement.

Section 1.24. **"Person"** means an individual, corporation, a general or limited partnership, an association, a limited liability company, a business trust or any other legal or commercial entity.

Section 1.25. **"Substitute Member"** means any Person who or which is admitted into Membership upon the written consent of all Members pursuant to Section 9.4 of this Agreement.

Section 1.26. **"Units"** refers to an interest in the Company representing a contribution to capital, to be measured in such units as may be established pursuant to Section 3.3 of this Agreement. Whenever reference is made to "Percentage Interest", a Unit may be converted into the same by dividing a Member's number of Units by the total of all Units outstanding.

ARTICLE II

ORGANIZATION AND TERM

Section 2.1. **Formation.** The Company was formed pursuant to the Act. The rights and liabilities of the members shall be as provided under the Act, the Articles and this Agreement. The Members agree to each of the provisions of the Articles.

Section 2.2. **Name.** The name of the Company is [REDACTED] Development LLC, an Indiana Limited Liability Company.

Section 2.3. **Principal Place of Business.** The principal place of business of the Company shall be at [REDACTED], or such other address as may be established by the consent of a Majority in Interest of the Members.

Section 2.4. **Registered Office and Registered Agent.** The Company's registered office shall be at its principal place of business set forth in Section 2.3 and the name of its initial registered agent at such address shall be [REDACTED]. The Company may designate another registered office or agent at any time by following the procedures set forth in the Act.

Section 2.5. **Purpose.** The Company has been organized for the purpose, and may engage in, any lawful business permitted under the Act or the laws of any jurisdiction in which the Company may do business. The Company shall have the authority to do all things necessary or convenient to the accomplishment

of its purpose and the operation of its business and assets.

Section 2.6. **Effective Date.** The effective date of this Agreement shall be November 14, 2000.

Section 2.7. **Term.** The term of the Company shall commence on November 14, 2000 and shall continue in perpetuity, unless the Company is earlier dissolved in accordance with Section 11.1 or the Act.

Section 2.8. **Other Instruments.** Each Member hereby agrees to execute and deliver to the Company within ten (10) days after receipt of a written request therefor, such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Company deems necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Agreement.

Section 2.9. **Title to Property.** The Property and other assets of the Company (the "Company Assets") shall be owned by and held in the name of the Company as an entity, and neither Member shall have any ownership interest in the Company Assets in that Member's individual name or right.

Section 2.10. **Other Business Ventures and Activities; Conflicts of Interest.** Each Member, and that Member's affiliates, may engage, invest or possess an interest in other business ventures (including future ventures) of any kind, nature or description, independently or with others, regardless of which (i) such ventures are competitive with the Company or otherwise (including ventures engaged in the acquisition, ownership, financing, leasing, operation, management syndication, brokerage, sale, construction or development of real or personal property) or (ii) the operations or property of such venture are located in the Community or in the vicinity thereof or adjacent or in the vicinity of the Property or other Company Assets. Notwithstanding the foregoing, the Nonprofit Member shall notify the General Manager before undertaking, or participating or being involved in, any other such business venture or activity that will divert human or financial resources that have been directly or indirectly dedicated to the operations and activities of the Company and the achievement of its purposes.

ARTICLE III

MEMBERS AND CAPITAL CONTRIBUTIONS

Section 3.1. **Names and Addresses of Members.** All Members of the Company, past and present, and their last known business, residence or mailing address shall be listed on the attached Exhibit "A". The Members shall be required

to update Exhibit "A" from time to time as necessary to accurately reflect the information therein.

Section 3.2. **Capital Contributions and Percentage Interests of Members.** The initial Capital Contributions to the Company and Percentage Interests of each member are set forth on Exhibit "B". Any subsequent Capital Contributions shall be in such amounts and in such types of property as may be agreed upon by all.

Section 3.3. **Additional Capital Contributions.**

(a) **Contributions.** The Members intend that all working capital needs of the company shall be funded from the operations of the Company or from borrowing as provided herein. However, Additional Capital Contributions shall be made by the Members whenever such Additional Capital Contributions are necessary or desirable for the conduct of the business, or to accomplish the purposes and objectives, of the Company and are Approved by the Members by written resolution (the "capital call resolution"). Unless both Members agree otherwise, such Additional Capital Contributions shall be payable by the Members in the same ratio that the Net Profit Percentage of each Member as of the date of the applicable capital call resolution is made bears to one another, with each Member having with respect to such Additional Capital contributions the same relative rights as provided herein with respect to its Initial Capital Contribution. In the event a Member shall fail within ten (10) business days of the date on which the capital call resolution is executed to make any such Additional Capital Contributions with (i) under (or in accordance with) the third sentence of this Section 3.3(a) that it has not timely declined to make or (ii) for which it has agreed to make pursuant to the preceding sentence, then such Member shall be in breach of that Member's obligations hereunder.

(b) **Loans.** In the event the full amount set forth in a capital call resolution is not contributed to the Company, that Member, if any, that did make Additional Capital Contributions in an amount at least equal to its proportionate share of such capital call, may make a Member Loan to the Company in the amount of such deficiency, bearing interest at the prime rate of the principal bank of the Company or its successors, on the date such Member Loan is made, plus two percent (2%) simple interest, until repaid. No distributions from the company shall be made until the Member or Members who have made Member Loans pursuant to this Section 3.3(b) have been repaid in full. If either Member or an affiliate of a member shall make any Loan to the Company or advance money on its behalf, the amount of any such Loan shall not be treated as a Capital Contribution or a Member Loan, but shall be a debt due from the Company to be governed by a separate loan agreement.

Section 3.4. **No Right to Interest on Capital Contribution or Return of Capital Contributions.**

Except as otherwise provided herein, with the unanimous written consent of the Members, neither Member shall (i) be paid interest on any Capital Contribution, (ii) withdraw or be repaid any part of that Member's Capital Contribution or (iii) have the right to receive, as a Distribution or return of capital, property other than cash.

Section 3.5. **Units Representing Membership Interest; Certificates.**
The Interests shall be represented by the Units held by such Member. Each Member's respective Units in the Company as set forth on the attached Exhibit "B". The Members hereby agree that each Unit shall entitle the Member possessing such Unit to one vote per Unit on matters on which the Members may vote under the Articles, this Agreement and the Act, and further to an equal proportionate share per Unit of the Company's net income, gains, losses, deductions and credits.

Section 3.6. **Representative and Substitute Representative** have the meanings given to them in Section 4.2.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.1. **Annual Meetings.** Annual meetings of the Members shall be held on the third Tuesday in March of each year at the principal office of the Company, or on such other date or at such other place as may be designated by all of the Members.

Section 4.2. **Special Meetings.** Special meetings of the Members may be called by any of the Members. Special meetings of the Members shall be called upon delivery to the members of notice of a special meeting of the Members given in accordance with Section 4.3 signed and dated by a Member.

Section 4.3. **Notice of Meetings.** The Company shall deliver or mail written notice stating the date, time and place of any Members meeting and, in the case of a special Members meeting or when otherwise required by law, a description of the purposes for which the meeting is called, to each member of record entitled to vote at the meeting, at such address as appears in the records of the Company and at least two (2), but no more than thirty (30) days, before the date of the meeting.

Section 4.4. **Waiver of Notice.** A Member may waive notice of any meeting, before or after the date and time of the meeting as stated in the notice, by

delivering a signed waiver to the Company for inclusion in the minutes. A Member's attendance at any meeting, in person or by proxy (a) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

Section 4.5. **Voting by Proxy.** A Member may appoint a proxy to vote or otherwise act for the member pursuant to a written appointment form executed by the Member or the Member's duly authorized attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the Corporation authorized to tabulate votes. The general proxy of a fiduciary is given the same effect as the general proxy of any other Member. A proxy appointment is valid for eleven (11) months unless otherwise expressly stated in the appointment form.

Section 4.6. **Participation by Conference Telephone.** Any one or more Members may participate in a meeting of the Members by means of a conference telephone or similar communication device that allows all persons participating in the meeting to simultaneously hear each other during the meeting, and such participation in the meeting shall be deemed the equivalent of being present in person at such meeting.

Section 4.7. **Action by Consent.** Any action required or permitted to be taken at a Members' meeting may be taken without a meeting if the action is taken by all the Members entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by all of the Members entitled to vote on the action, and delivered to the Company for inclusion in the minutes.

Section 4.8. **Presence.** Any or all 'Members may participate in any annual or special Members' meeting 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 so participating is deemed to be present in person at the meeting.

Section 4.9. **Conduct of Meetings.** At any members' meeting, a Majority in Interest of the Members shall preside or appoint a person to preside at the meeting and shall appoint a person to act as secretary of the meeting. The secretary of the meeting shall prepare minutes of the meeting which shall be placed in the minute books of the Company.

ARTICLE V

RIGHTS OF MEMBERS

Section 5.1. **Rights of Members.** The Members shall have the following rights, except as otherwise provided in the Act, the Articles or this Agreement:

- (a) the right to elect and remove the Manager or Managers, as provided in Article VI;
- (b) the right to amend the Articles and this Agreement, provided that such amendment complies with the Act, the Articles and Article XI of this Agreement;
- (c) the right to approve or disapprove the issuance of Additional Units for sale to then existing Members or new subscribers and the admission of a transferee of some or all of a Member's Units as a Substitute Member, in accordance with the provisions set forth in this Agreement;
- (d) the right to approve a merger of the Company, or the sale, exchange or other disposition of all or substantially all of the Company's Property, when such merger, sale, exchange or other disposition is, or is part of, a single transaction or plan, pursuant to the written consent of a Majority in Interest of the Members;
- (e) the right to dissolve the Company by the written consent of all of the Members;

and

- (f) in addition, any and all rights and powers of Members under the Act.

Section 5.2. **Consent of the Members.** The Unanimous Consent of the Members shall be required to authorize the Manager to undertake the following actions for or on behalf of the Company:

- (i) **Amend Agreement or Articles of Organization.** Amend this Agreement or the Articles of Organization except as expressly provided herein;
- (ii) **Change Company Name.** Change the name of the Company;

(iii) New Members. Admit new Members to the Company through the issuance by the Company of new membership interests;

(iv) Appoint Additional Managers or Officers. Appoint additional managers or officers and determine what titles, powers, duties, and compensation such Persons shall have;

(v) Dispose of Property. Sell, assign, exchange, merge or otherwise dispose of all or substantially all of the Property, other than in the ordinary course of the Company's business;

(vi) Use and Design of the Property. Determine the use to be made of the Property and the design of its improvements;

(vii) Professionals and Independent Contractors. To employ or retain attorneys, accountants, property managers, leasing agents, professional managers or management companies, architects, engineers, contractors, financial and technical consultants, marketing agents or other professionals or independent contractors on behalf of the Company;

(viii) Deny Indemnification Advance. Deny an advance to an indemnitee with respect to an indemnification claim under, and in the manner provided by, Section 5.7(b);

(ix) Dissolve the Company. Dissolve the Company pursuant to Section 12.1(c);

(x) Voluntary Bankruptcy. Take any action that would cause the Voluntary Bankruptcy of the Company;

(xi) Non-Cash Distributions. Make a Distribution of property other than cash (or approve the value of such property);

(xii) Change the Entity character of the Company. Cause the conversion or reorganization of the Company to another entity form (including a corporation) or maintain its status as a limited liability company but cause it to be treated as an association taxable as a corporation for federal income tax purposes;

(xiii) Mergers. Merge the Company into or with another limited liability company or other entity;

(xiv) Subject members to Personal Liability. Do any act that would subject the Members to liability in their capacity as members;

(xv) Donations. Make donations for the public welfare religious, charitable, scientific, literary, educational purposes;

(xvi) Press Releases and Other Informational Releases. Issue a press release or make any other public or private disclosure in contravention of Section 10.6 regarding the Company, its purposes or Property or other Company Assets (including any property it may acquire as provided in Section 9.6(d));

(xvii) Divert Property. Possess Company Assets or assigned rights in specific Company Assets other than in connection with or in furtherance of the purposes of the Company or as permitted by this Agreement;

(xviii) Misdirect Funds. Employ, or permit to be employed, the funds or assets of the Company in any manner except for the exclusive benefit of the Company; or

(xix) Anomalous Acts. Do any act which would make it impossible or unreasonably burdensome to conduct the ordinary business of the Company or otherwise contravene this Agreement.

Section 5.2. Waiver of Partition. Each Member on behalf of such Member, its successors and its assigns, hereby waives any rights to have any Company property partitioned.

Section 5.3. Withdrawal. A Member may not withdraw from the Company without the consent of a Majority in Interest of the remaining Members. Further, unless specifically authorized by a Majority in Interest of the remaining members, a Member may not withdraw unless (i) the Member has contributed the full amount of money or other consideration which constitutes the Member's Capital Contribution as set forth on Exhibit "B" hereto; and (ii) following the Member's withdrawal there will be at least two (2) remaining Members of the Company. The Company may recover damages for breach of this Section 5.3 and may offset the Company's damages against any amount owed to a Member or Former Member for distributions or otherwise.

Section 5.4. Lien and Right of Offset. The company shall have a first lien and security interest in each Member's Membership Interest for all indebtedness and other obligations of such Members to the Company. Each Member grants the Company a security interest in its Membership Interest as a condition of acceptance into and continued Membership in the Company. At the option of the Board of Managers, the Company shall have the right to offset some

or all of a Member's Membership Interest against such indebtedness or obligation, but nothing herein shall give a Member any right to have such offset made.

Section 5.5. **Reimbursement of Expenses.** Each member shall be entitled to reimbursement from the Company of all expenses of the Company reasonably incurred and paid by such Member on behalf of the Company. Any question as to whether a Member is entitled to reimbursement of expenses under this Section 5.4 shall be determined by a Majority in Interest of the Members.

Section 5.6. **Organization Expenses.** The Company shall pay all expenses incurred in the organization of the Company.

Section 5.7. **Member Indemnification.** The Company shall indemnify, defend, save and hold harmless any current or former Members for all claims, costs, losses, liabilities and damages paid or accrued by such Member in connection with the business or affairs of the Company, or in connection with their duties, directly or indirectly as Members of the Company, to the full extent provided or allowed under the Act and in accordance with the Articles.

(a) **Generally.** Neither the Members nor any of their Affiliates (or agents thereof) who perform services for or on behalf of the Company under the authority granted herein or under the Act (hereinafter collectively referred to as the "indemnitees") shall have any liability, responsibility, or accountability in or for damages or otherwise to the Members, the Company or its receiver or trustee in the event there is one, and the Company (or its receiver or trustee, as the case may be) agrees to indemnify, pay, protect and hold harmless each indemnitee (on the demand of and to the reasonable satisfaction of such indemnitee) from and against any liabilities, obligations, losses, damages, penalties, actions, claims, judgments, settlements, proceedings, costs, expenses and disbursements of any kind or nature whatsoever, including all reasonable attorneys' fees, costs and expenses of defense, appeal and settlement of any suits, actions or proceedings instituted against such indemnitee or the Company and all costs of investigation in connection therewith (hereinafter in this Section 5.7 collectively referred to as "Liabilities") that may be imposed on, incurred by or asserted against an indemnitee or the Company that is in any way related to or arises out of, or is alleged to relate to or arise out of, any action or inaction on the part of the Company or any indemnitee acting on behalf of the Company. Notwithstanding the foregoing, each indemnitee shall be liable, responsible and accountable, and neither the Company nor, if applicable, its receiver or trustee shall be liable to any such Person for any portion of such Liabilities that resulted from such Person's own fraud, bad faith, willful misconduct (meaning such acts or omissions that the indemnitee knew at the time thereof that such acts or omissions were clearly in conflict with the interests of the Company) gross negligence, transactions from which such person derived an improper personal benefit or other acts or failures to act for which the

Act or other applicable law does not permit such Person to be exculpated or indemnified, as determined by a court of competent jurisdiction.

(b) **Advance Payment.** The right to indemnification conferred by Section 5.7(a) shall include the right to be paid or reimbursed by the Company the reasonable expenses of the type entitled to be indemnified under Section 5.7(a) (including the right to employ, at the expense of the Company, separate counsel of the indemnitee's choice in any such action, suit or proceeding described in Section 5.7(a)) incurred by an indemnitee who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the indemnitee's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such indemnitee in advance of the final disposition of a proceeding, shall be made only upon delivery to the Company of a written affirmation by such indemnitee of the good faith belief that the standard of conduct necessary for indemnification under Section 5.7(a) has been met and a written undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined that such indemnitee is not entitled to be indemnified under Section 5.7(a).

(c) **Indemnification Rights Limited to Company Assets.** The satisfaction of the obligations of the Company under Sections 5.7(a) and 5.7(b) shall be from and limited to the assets of the Company, and neither Member shall have any personal liability on account thereof.

(d) **Nonexclusivity of Rights.** The right to indemnification and the advancement and payment of expenses conferred in this Section 5.7 shall not be exclusive of any other right which an indemnitee may have or hereafter acquire under law or equity, provision of this Agreement, resolution of the Members, or otherwise; provided, however, an indemnitee shall not be entitled to duplicative recovery, and any such duplicative recovery received by or on behalf of an indemnitee shall be refunded by the Indemnitee to the Company.

(e) **Insurance.** The Company may purchase and maintain insurance, at its expense, to protect itself and any Person that may be indemnified under this Section 5.7.

ARTICLE VI

MANAGERS

Section 6.1. **Managers.**

(a) To the extent that all of the Members determine, day-to-day management of the Company's business may be vested in a Manager elected by all

of the Members.

(b) The Manager shall not be personally liable for the debts, obligations or liabilities of the Company, whether arising in contract, tort or otherwise, or for the acts or omissions of any Member, agent or employee of the Company.

(c) All of the Members may remove any Manager with or without cause. Either Member after notice to the other Member may remove any Manager for cause for willful neglect of duties or willful material breach of this Agreement or fraudulent or illegal conduct.

(d) The Members at this time agree that [REDACTED] shall be the initial Manager for the first year. Reappointment requires consent of All Members.

(e) The Manager's signature shall be sufficient to bind the Company, and no third party need inquire into the authority of the Manager to bind the Company.

(f) The Manager is authorized:

(i) to invest and reinvest available funds in investment that the Manager decides is consistent with the purpose of the Company;

(ii) to expend Company funds or to borrow, with consent of All Members;

(iii) to collect obligations payable to the Company and to take any lawful means for the recovery thereof by legal process or otherwise, and to execute and deliver a satisfaction and release therefore, together with the right to compromise any claim;

(iv) to lease in the ordinary course of business the real estate of the Company, at such rental, price or amount for each, and upon such terms all of the Members agree;

(v) to perform all of the Company's obligations under any agreement entered into by the Company;

(vi) to select and retain accountants, attorneys and other advisors including property managers and realtors to provide services to the Company;

(vii) to execute, acknowledge and deliver any and all

instruments to effectuate the foregoing; and

(viii) to take any other action deemed desirable by the Manager to carry out the purposes of the Company.

(g) The Manager is not authorized without the consent of both Members:

(i) enter into contracts for land development, such as dirt work, signage, electricity, etc.;

(ii) fix budgets and amendments thereto;

(iii) sign off final plat approval including covenants;

(iv) sign off on development phases, as to which portion of land is to use for future phases;

(v) make provision for distribution of lots as well as transfer; and

(vi) make provisions for loans to the company from a Member and the interest rate; and

(h) The Manager shall not charge the Company for any work performed by the Manager. The Manager shall not be required to devote full time to the affairs of the Company although the Manager shall devote such time to the Company's affairs as is commercially reasonable to manage and supervise the effective operations and business of the Company.

ARTICLE VII

ACCOUNTING AND RECORDS

Section 7.1. **Records and Accounting.** The fiscal year of the Company for financial reporting and for Federal income tax purposes shall be the calendar year. The books and record of the Company shall be kept, and the financial position and the results of its operations recorded in accordance with generally accepted accounting principles. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Company shall keep the following records and information at its principal office:

(a) A list with the full name and last known mailing address of each Member and Manager of the Company from the date of organization.

- (b) A copy of the Articles of Organization and all amendments.
- (c) Copies of the Company's Federal, state and local income tax returns and financial statements for the three (3) most recent years, or if the return and statements were not prepared, copies of the information and statements provided to or that should have been provided to the Members to enable them to prepare their Federal, state and local tax returns for the same period.
- (d) Copies of this Agreement and all amendments and copies of any written operating agreements no longer in effect.
- (e) A writing setting out the following:
 - (i) The amount of cash, if any, and a statement of the agreed value of any other property or services contributed by each Member and the times at which or events upon the happening of which any additional contributions agreed to be made by each Member are to be made.
 - (ii) The events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up.
 - (iii) Any other writings required by this Agreement.

Section 7.2. **Access to Accounting Records.** Each Member, and the Member's duly authorized representative, shall have the right, at the Member's own expense, to inspect and copy the records listed in Section 7.1 at the principal office of the Company, upon reasonable request, during ordinary business hours.

Section 7.3. **Annual Financial and Tax Information.** The Manager shall use his best efforts to cause the Company to deliver to each member within ninety (90) days after the end of each fiscal year all information necessary for the preparation of such Member's Federal and state income tax returns. The Manager shall also use his best efforts to cause the Company to prepare, within one hundred twenty (120) days after the end of each fiscal year, a financial report of the Company for such fiscal year containing a balance sheet as of the last day of the year then ended, an income statement for the year then ended, a statement of sources and applications of funds, and a statement of reconciliation of the Capital Accounts of the Members.

Section 7.4. **Accounting Decisions.** All decisions as to accounting matters shall be made by the Members in accordance with generally accepted accounting principles.

Section 7.5. **Federal Income Tax Elections.** The Company may make any and all elections for Federal income tax purposes, including, but not limited to, the following:

(a) To the extent permitted by applicable law and regulations, an election to use an accelerated depreciation method with respect to any depreciable asset of the Company; and

(b) In case of a transfer of all or part of the Interest of any member, an election to adjust the tax basis of the assets of the Company pursuant to Code Sections 734, 743 and 754.

Section 7.6. **Tax Matters Partner.** [REDACTED] is designated as the "Tax Matters Partner" for purposes of the Code.

Section 7.7. **Confidentiality.** Each Member shall, at all times, during the term of this Agreement and thereafter, except as otherwise expressly provided in this agreement, use reasonable efforts to safeguard the secrecy and confidentiality of any confidential information regarding the Company, its activities and the property it owns or is considering acquiring (the "confidential information"). In this regard, each Member agrees as follows:

(a) **Agents.** Only those agents and representatives of the company who need to know the confidential information in order to carry out the purposes of the Company shall have access to the confidential information.

(b) **Third Parties.** Neither Member shall disclose, or allow any of that Member's agents, representatives or affiliates to disclose, any of the confidential information to any third party (whether or not an Affiliate of a Member) without the approval of the other Member.

(c) **Members.** A Member shall not, and shall not allow that Member's agents, representatives or affiliates to, make use of any of the confidential information, except in furtherance of the business of the Company.

(d) **Press Releases and Other Informational Releases.** Without limiting the generality of the foregoing provisions of this Section 8.4, neither Member shall issue a press release or make other public or private disclosure regarding the Company or its purposes, including the property it anticipates, contemplates or is considering acquiring, without the written consent of the other Member.

ARTICLE VIII

CAPITAL ACCOUNT; ALLOCATIONS; DISTRIBUTIONS

Section 8.1. Capital Account.

(a) An individual Capital Account shall be established and maintained on behalf of each Member, including any additional or substituted Member. The Capital Account of each Member shall consist of (i) the amount of cash such Member has contributed to the Company, plus (ii) the agreed fair market value of any property such Member has contributed to the Company, net of any liabilities assumed by the Company or to which such property is subject, plus (iii) the amount of profits or net income (including tax-exempt income) allocated to such Member pursuant to Section 8.2, less (iv) the amount of losses and deductions allocated to such Member pursuant to Section 8.2, less (v) the amount of all cash distributed to such Member, less (vi) the fair market value of any property distributed to such Member, net of any liability assumed by such Member or to which such property is subject, less (vii) such Member's share of any other expenditures which are not deductible by the Company for federal income tax purposes or which are not allowable as additions to the basis of Company property, and (viii) subject to such other adjustments as may be required under the Code. The Capital Account of a Member shall not be affected by any adjustments to basis made pursuant to Code Section 743 but shall be adjusted with respect to adjustments to basis made pursuant to Code Section 734.

(b) No Member shall have the right to withdraw that Member's Capital Contribution, or to receive any return or interest on any portion of that Member's Capital Contribution, or to demand and receive property of the Company or any distribution in return for that Member's Capital Contribution, except as may be specifically provided in this Agreement or as required by law. No Member shall receive out of Company property any part of that Member's Capital Contribution until (i) all liabilities of the Company, except liabilities to Members, have been paid or there remains property of the Company sufficient to pay them, and (ii) the consent of all Members is obtained, unless the return of the Capital Contribution may be rightfully demanded as provided in the Articles, this Agreement or the Act. In no event may a Member receive any distribution with respect to the Member's Capital Contribution which exceeds the positive balance in the Member's Capital Account at the time of distribution.

(c) Subject to the provisions of Section 8.1(b) and Article XI, a Member may rightfully demand the return of the Member's Capital Contribution (i) on the dissolution of the Company, or (ii) as may otherwise be provided in the Articles, this Agreement or the Act. A Member shall have only the right to demand and receive cash in return for the Member's capital Contribution.

Section 8.2. **Allocation of Net Income, Loss or Capital Gains.**

Except as may be expressly provided otherwise in this Article VIII, and subject to the provisions of Code Section 704(c) or any other provision of the Code, the net income (taking into account all salaries, bonuses, or guaranteed payments made to Members) , loss or capital gains of the Company for each fiscal year of the Company shall be allocated among the Members according to their respective Percentage Interests.

Section 8.3. **Allocation of Income and Loss and Distributions in Respect of Interests Transferred.**

(a) If any Interest in the Company is transferred, or is increased or decreased by reason of the admission of a new Member or otherwise, during any fiscal year of the Company,

(i) the Company may close its books as though the Company's accounting and tax years had ended, with allocations to be made among the Members in a manner consistent with Section 8.2 of this Agreement; or

(ii) each net item of income, gain, loss, deduction, or credit of the Company for such fiscal year shall be assigned pro rata to each day in the particular period of such fiscal year to which such item is attributable (i.e., the day on or during which it is accrued or otherwise incurred), and the amount of each such item so assigned to any such day shall be allocated to the Member in a manner consistent with Section 8.2 of this Agreement.

(b) Distributions of Company assets in respect of an Interest in the Company shall be made only to the Members who, according to the books and records of the Company, are the holders of record of the Interests in respect of which such distributions are made on the actual date of distribution. Neither the Company nor any member shall incur any liability for making distributions in accordance with the provisions of the preceding sentence, whether or not the Company or the member has knowledge or notice of any transfer or purported transfer of ownership of Interest in the Company which has not been approved by unanimous vote of the Members.

(c) Notwithstanding any provision in this Agreement to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the parties owning Interests in the Company as of the date such sale or other disposition occurs and shall be in accordance with their respective Percentage Interests on such date.

Section 8.4. **Annual Distributions of Available Cash.** The amount allocated to each Member pursuant to Section 8.2 of this Agreement (together with any adjustments attributable to Section 8.3 of this Agreement) for each calendar year may be distributed to each Member by the Company ("Annual Distribution") within thirty (30) days after the end of the calendar year ("Distribution Date") ; provided, however, that the aggregate amount of the Annual Distribution shall be reduced to the extent necessary to prevent the Annual Distribution from exceeding the Company's Available Cash. Any such reduction in the aggregate amount of Annual Distribution shall be allocated among the Members in proportion to the amounts of their respective Annual Distribution prior to such reduction. The amounts by which any Annual Distribution is so reduced may be distributed on the next succeeding Distribution Date if there be sufficient Available Cash.

ARTICLE IX

CHANGES IN MEMBERS: RESTRICTIONS ON TRANSFER OF INTERESTS

Section 9.1. Buyout of Former Members.

(a) Upon the occurrence of an event of dissociation and the consent of all of the Members other than the former Member to continue the Company, the Company shall have the option to purchase the interest of such former member within one hundred twenty (120) days after the event of dissociation upon the terms and conditions set forth in this Agreement.

(b) The amounts paid to a former Member for purposes of Section 9.1 (a) of this Agreement shall be determined as set forth in this Section 9.1 (b); the purchase price shall be the former Member's percentage interest times the book value thereof as it appears on the books and records of the Company as of the close of business on the last day of the month in which the occurrence of event of dissociation (the "Event") occurs, as adjusted by substituting the fair market value as of such date, in place of book value, of any real estate owned by the Company. Such book value, adjusted as herein provided, shall be computed by the certified public accountant regularly employed by the Company, in accordance with accounting practices regularly followed by the Company, and in cases not covered by such practice, in accordance with good accounting practice. No allowance shall be made for good will, trade names, patents or other intangible assets, except if those assets have been reflected in the Company's books immediately prior to the Event. Such book value shall include and reflect the former Member's Capital Account at the end of the last accounting year as shown on the Company's books, increased by the Member's share of Company profits or decreased by the Member's share of Company losses for the period from the beginning of

the accounting year in which the Event occurred until the date of the last day of the month in which the Event occurred, and increased by contributions and decreased by withdrawals during such period. In making the adjustment for the fair market value of the real estate, the accountant shall rely on and use the written appraisal of a licensed real estate appraiser selected by the Members who shall appraise the property. In the event that the Member shall be unable to agree on a single appraiser, each of the Members shall be represented by a disinterested appraiser of their own choosing, which appraiser shall appoint another appraiser, and a decision of the majority of such appraisers as to the appraisal of the real estate shall have the same force and effect as that of the single appraiser above described. A statement showing such book value as thus adjusted and the supporting items and computations including without limitation a copy of the real estate appraisal relied upon shall be completed by the accountant and copies delivered to the former Member and to the current Members. Such former Members' percentage of book value as adjusted as set out in the accountant's statement shall constitute and be deemed to be the purchase price of the former Member's entire interest, binding upon all parties hereto unless and until changed by written agreement of the parties.

In lieu of the foregoing computation of the value of the Company as hereinabove set forth, the Members may, at any time, agree as to the value of this Company by all Members executing a written instrument wherein such determination is set forth, whereupon, for the period of time stated in the instrument of agreed value, to be called "Agreed Net Value of Company", such agreed value as so determined shall supersede the valuation formula as provided above in this Section 9.1 (b) and such written instrument of "Agreed Net Value of Company" may be attached to this Operating Agreement and once the Members determine by agreement the value of this Company, and if no time period is set forth in the instrument of "Agreed Net Value of Company", the value as agreed upon shall be for a period of twenty-four (24) months following the date of such determination. The value of the interest of any Member in the Agreed Net Value of the Company shall be an amount equal to the value of the Company times the percentage in the Company owned by the Member.

(c) The amounts to be paid to a former Member for purposes of Section 9.1 (a) of this Agreement may, at the Company's option, be paid in cash or Twenty-five (25%) percent of the amounts to be paid shall be paid at closing in cash and the balance of the price shall be paid by delivering a separate Promissory Note secured by a real estate mortgage on all of the Company's real estate, if the Company is the purchaser or secured by a real estate mortgage or assignment for collateral purposes of a Member's Interest in the Company if the purchaser is a Member, dated as of the closing date

bearing interest at an annual interest rate equivalent to the prime rate as set forth in the Wall Street Journal as the same exists on the closing date with such principal amount being payable in three (3) equal annual installments, the first being due one (1) year from closing and each subsequent installment being due and payable on the next occurring anniversary date of the closing, and with the accrued interest being payable at the time of the payment of principal.

Section 9.2. **Restrictions on Transfer and Assignment of Member's Interest.** No Member shall be entitled to assign, convey, sell, transfer, pledge, encumber or in any way alienate all or any part of his interest, except by the prior written consent of all of the other Members, which consent may be given or withheld, conditioned or delayed as the remaining Members may determine in their sole discretion. Transfers in violation of this Section 9.2 shall only be effective to the extent set forth in Section 9.5 (b) of this Agreement.

Section 9.3. **Further Restrictions on Transfer.** In addition to the restrictions set forth in Section 9.2, no Member shall assign, convey, sell, encumber or in any way alienate all or any part of his interest in the Company:

(a) Without registration as required under applicable federal and state security laws, unless he delivers an opinion of counsel satisfactory to the Company that registration under such laws is not required; or

(b) If the interest to be sold or exchanged, when added to the total of all other interests sold or exchanged in the preceding twelve (12) consecutive months prior thereto, would result in the termination of the Company for tax purposes under Code Section 708.

Section 9.4. **Substitute Members.** A transferee shall have the right to become a substitute Member if (a) the requirements of Section 9.2 and 9.3 of this Agreement are met, (b) such person executes an instrument satisfactory to the remaining Members accepting and adopting the terms and provisions of this Agreement, and (c) such person pays any reasonable expenses in connection with his or her admission as a remaining Member.

Section 9.5. **Effective Transfer.**

(a) Any permitted transfer of all or any portion of a Member's interest in the Company will take effect on the first day of the month following receipt by the Members of written notice of transfer. Any transferee of an interest in the Company shall take subject to the restrictions on transfer imposed by this Agreement.

(b) Upon any transfer of a Member's interest in the Company in violation of this Agreement, the transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and such transferee shall only be entitled to receive a share of profits or other compensation by way of income and the return of contributions to which the transferor of such interest in the Company would otherwise be entitled.

Section 9.6. **Third Party Offers.** If a Member has obtained an offer to purchase his interest in the Company from a third party purchaser, the terms of which are acceptable to the Member, the Member shall provide the other Members with notice of the terms and conditions of any such offer together with notice of his desire to dispose of an interest in the Company and such terms and conditions shall be included with the notice issued to the Members in relation to the consideration of any such disposition. The Members shall, at a special meeting duly called and held in relation to the proposed disposition, have a right exercisable upon the affirmative vote of the holders of all of the interests in the Company, to approve the purchase and redemption of the entirety of interest of the Member seeking to transfer his interest in the Company upon the same terms and conditions as any third party offer. In the event that the Company does not purchase the offering Member's interest, then and in that event, upon the same affirmative vote of all Members, the Members shall be obligated to purchase a proportionate interest in the interest of the Member whose interest in the Company is subject to the offer as their respective interests in the Company bears to the interest of all Members, excluding the Member whose interest is the subject of the third party offer of sale or transfer. The special meeting contemplated by this section shall be held within thirty (30) days after the Members have been provided with notice of a third party offer and closing of the transactions contemplated under this provision shall occur on a date agreed to by the parties, but not later than the ninetieth (90th) day following the Members' first receipt of notice of a third party offer. The Member who has been solicited and obtained an offer shall vote for the Company approve the purchase and redemption of the interest of the Member seeking to transfer his interest in the Company upon the same terms and conditions as any third party offer.

ARTICLE X

ADDITIONAL MEMBERS AND UNITS

Section 10.1. **Additional Units.** By the written consent of all of the Members, the Company may issue additional units by sale or other issuance to existing Members or other persons. Any such sale or other issuance of Company units shall be made in accordance with the Articles and this Agreement. As a condition to such issuance, additional Members acquiring such units shall execute

this Agreement and all other documents and instruments as the Company may require and shall become Members as regard such units upon the date the last of such agreements are executed.

Section 10.2. **Allocations.** Additional units shall not be entitled to any retroactive allocation of the Company's income, gains, losses, deductions, credits or other matters of any kind; provided that additional units shall be entitled to their respective share of the Company's income, gains, losses, deductions, credits and other matters of any kind arising under contracts entered into before the effective date of the issuance of any additional units to the extent that such income, gains, losses, deductions, credits and other matters of any kind arise after such effective date. The Company's books may be closed at the time additional units are issued (as though the Company's tax year had ended) or the Company may credit to the additional units pro rata allocations of the company's income, gains, losses, deductions, credits and other matters of any kind for that portion of the Company's fiscal year after the effective date of the issuance of the additional units, such allocations to be effected in a matter consistent with Section 8.2 of this Agreement.

ARTICLE XI

DISSOLUTION AND WINDING UP

Section 11.1. **Dissolution.** The Company shall be dissolved and its affairs wound up on the first of the following to occur:

- (a) At the time or on the occurrence of events specified in the Articles or this Agreement;
- (b) All of the Members in writing consent to the dissolution of the Company;
- (c) An Event of Dissociation occurs, unless a Majority in Interest of the remaining Members elect to continue the business of the Company within ninety (90) days of the date of the Event of Dissociation; or
- (d) A decree of judicial dissolution is entered pursuant to Ind. Code § 23-18-9-2.

Section 11.2. **Winding Up.** Upon dissolution, the Managers shall proceed to wind up and liquidate the business and affairs of the Company, and the Company may only carry on business that is appropriate to wind up and liquidate the business and affairs of the Company, including the following: (a) collecting the Company's assets; (b) disposing of properties that will not be distributed in kind to

Members; (c) discharging or making provision for discharging liabilities; (d) distributing the remaining property among the Members; and (e) doing every other act necessary to wind up and liquidate the business and affairs of the Company. The Managers shall follow the procedure for disposing of known claims set forth in Ind. Code § 23-18-9-8 and shall publish notice of the dissolution of the Company pursuant to Ind. Code § 23-18-99.

Section 11.3. **Distribution of Assets.** Upon the winding up of the Company, the assets shall be distributed as follows:

(a) To creditors, including Members and Managers who are creditors to the extent permitted by law, to satisfy the liabilities of the Company whether by payment or by the establishment of adequate reserves, excluding distributions to Members pursuant to Section 8.4;

(b) To Members and former Members to satisfy the liabilities for distributions pursuant to Section 8.4;

(c) To Members of the Company in respect of their share of the profits and other compensation by way of income on their Capital Contributions to the extent each such Member has a positive balance in his Capital Account as provided in Treasury Regulation § 1.704-1(b)(2)(ii)(b)(2); and

(d) To Members of the Company in respect of their Capital Contributions to the extent each such Member has a positive balance in his Capital Account as provided in Treasury Regulation § 1.704-1(b)(2)(ii)(b)(2).

Section 11.4. **Deficit Account Balance after Liquidation.** A deficit balance in a Member's Capital Account after liquidation of the Company shall be repaid to the Company no later than ninety (90) days after the liquidation occurs.

ARTICLE XII

INVESTMENT REPRESENTATIONS

By the execution of this Agreement each of the Members acknowledges, agrees, represents and warrants that:

(a) The Member understands that investment in the Member's Interest (Units) in the Company involves a high degree of risk and is suitable only for sophisticated investors. The Member further understands that Interests (Units) are being offered in reliance upon an exemption from registration provided by the Federal Securities Act of 1933, as amended, and

an exemption from registration of the Indiana Securities Law, as amended.

(b) The Member is purchasing the Member's Interest (Units) for the Member's own investment and not with a view to the distribution or resale thereof to any other Person.

(c) The Company has disclosed to the undersigned, in writing, and the Member acknowledges, that the transferability of the Interest (Units) is severely limited and that the undersigned must continue to bear the economic risk of this investment for an indefinite period as these securities have not been registered under the Securities Act of 1933 or any state securities laws and therefore cannot be offered or sold unless they are subsequently registered under such acts or an exemption from such registration is available.

(d) The Member agrees that in addition to other prohibitions of and restrictions on transfer under this Agreement, the Member's Interest (Units) will not be sold without registration under the Securities Act of 1933 and any applicable state securities law, or until the undersigned has obtained an opinion of counsel satisfactory to the Company that such registration is not required in connection with any such transaction, and in no event will any of the Member's Interest (Units) be sold within nine (9) months of the issuance thereof.

(e) The Member agrees that any certificates representing for the Member's Interest (Units) may contain the following legend: "The Units represented by this certificate were acquired for investment only and not for resale. They have not been registered under the Securities Act of 1933 or any state securities law. These Units may not be sold, transferred, pledged, or hypothecated within nine (9) months of the date hereof and not thereafter unless first registered under such laws, or unless the Company has received an opinion of counsel satisfactory to it that registration under such laws is not required." The Company may issue stop transfer instructions to its transfer agent (if any) or make a notation to such effect on its appropriate records.

(f) The Member's principal residence is at the address for the Member noted in this Agreement.

(g) The Member has and has had access to all material facts with respect to the Interest (Units) by reason of active involvement in the organization of the Company and by reason of family relationship with a person actively involved in the organization or management of the Company.

(h) No commission or other remuneration shall be paid to any person in connection with the offer or sale of the Interest (Units).

(i) The Member understands and agrees that the Member has no right to require the Company to register the Interest (Units) under Federal or state securities laws at any time, or to join in any future registration.

(j) The Member agrees to hold the Company and its Members, Managers and controlling persons (as defined in the Securities Act of 1933, as amended), and any persons affiliated with any of them or with the distribution of the Interest (Units), harmless from all expenses, liabilities, and damages (including reasonable attorneys' fees) deriving from a disposition of the Interest (Units) in a manner in violation of the Securities Act of 1933, as amended, or of any applicable state securities law or which may be suffered by reason of a breach of any of the covenants, representation and warranties contained in this Article XII.

ARTICLE XIII

AMENDMENTS

Section 13.1. **Proposal of Amendments.** Amendments to the Articles and this Agreement may be proposed in writing by any Member. If required by the Company, any such proposed amendment must be accompanied by an opinion of counsel as to the legality and effect on the Members. Copies of any amendments proposed to be made pursuant to this Section 14.1 shall be sent to the Members.

Section 13.2. **Amendment by Members.** A proposed amendment shall be voted upon at either an annual meeting or a special meeting of the Members called for the purpose of voting on the amendment. Such votes shall be exercised as provided in Article VII. Amendments must be approved by a unanimous vote of the Members and, upon approval of any amendment, all Members, whether or not they consented to such amendment, shall be deemed to have consented to and shall be bound by the terms and provisions thereof as if they had so consented.

Section 13.3. **Amendments as Required to Maintain Status of the Company as Taxable as a Partnership.** Notwithstanding any provision of this Agreement, amendments to this Agreement which, in the opinion of counsel to the Company, are necessary to maintain the status of the Company as taxable as a partnership for purposes of federal or state law or for other tax purposes shall be deemed to have been consented to by all of the Members.

ARTICLE XIV

MISCELLANEOUS

Section 14.1. **Complete Agreement.** This Agreement and the Articles constitute the complete and exclusive statement of agreement among the Members with respect to its subject matter. This Agreement and the Articles replace and supersede all prior agreements by and among the Members or any of them. This Agreement and the Articles supersede all prior written and oral statements and no representation, statement or condition or warranty not contained in this Agreement or the Articles will be binding on the Members or have any force or effect whatsoever.

Section 14.2. **Governing Law.** This Agreement and the rights of the parties under this Agreement will be governed by, interpreted and enforced in accordance with the laws of the State of Indiana.

Section 14.3. **Binding Effect; Conflicts.** Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and inure to the benefit of the Members, and their respective distributees, successors and assigns. This Agreement is subject to, and governed by, the Act and the Articles. In the event of a direct conflict between the provisions of this Agreement and the mandatory provisions of the Act or the provisions of the Articles, the provisions of the Act or the Articles, as the case may be, will be controlling.

Section 14.4. **Headings; Interpretation.** All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement. The singular shall include the plural, and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires.

Section 14.5. **Severability.** If any provision of this Agreement is held to be illegal, invalid, unreasonable or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable; this Agreement will be construed and enforced as if such illegal, invalid, unreasonable or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, unreasonable or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, unreasonable or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, unreasonable or unenforceable provision as may be possible and be legal, valid, reasonable and enforceable.

Section 14.6. **Multiple Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument. However, in making proof with respect to this Agreement it will be necessary to produce only one copy hereof signed by the party to be charged.

Section 14.7. **Additional Documents and Acts.** Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and the transactions contemplated by this Agreement.

Section 14.8. **No Third Party Beneficiary.** This Agreement is made solely and specifically among and for the benefit of the Members and their respective successors and assigns subject to the express provisions of this Agreement relating to successors and assigns; and no other person will have any rights, interest or claims under the Agreement or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

Section 14.9. **Notices.** Any notice to be given or to be served upon the Company or any Member in connection with this Agreement must be in writing and will be deemed to have been given and received when delivered to the address specified by the party to receive the notice. Such notices will be given to a Member at the address specified on Exhibit "A". Any Member or the Company may, at any time by giving five (5) days' prior written notice to the other Members and the Company, designate any other address in substitution of the foregoing address to which such notice will be given.

Section 14.10. **Amendments.** All amendments to this Agreement must be in writing and must be approved by a unanimous vote of the Members.

Section 14.11. **Title to Company Property.** Legal title to all property of the Company will be held and conveyed in the name of the Company.

Section 14.12. **Reliance on Authority of Person Signing Agreement.** In the event that a Member is not a natural person, neither the Company nor any Member will (a) be required to determine the authority of the individual signing this Agreement to make any commitment or undertaking on behalf of such Person or to determine any fact or circumstance bearing upon the existence of the authority of such individual, or (b) be required to see to the application or distribution of proceeds paid or credited to individuals signing this Agreement on behalf of such Entity.

Section 14.13. **Dispute Resolution Arbitration.** Any claim or controversy

arising out of or relating to this Agreement, or to the interpretation, breach or enforcement thereof, shall be submitted to a single arbitrator, if agreed to by all Members, and if there be no agreement, then to three (3) arbitrators pursuant to Indiana alternative dispute resolution rules then in effect. Any award made by any arbitrator under this provision shall be final, binding and conclusive on all parties and for all purposes and judgment may be enforced thereon in any court having competent jurisdiction. In the event that any Member or assignee fails to recognize the enforceability of this provision, the Company or any Member may initiate litigation in a Court of competent jurisdiction solely for the purpose of obtaining the specific enforcement of this dispute resolution provision and, in that event, the prevailing party in any such litigation shall, in addition to any and all other equitable and legal remedies available at law and under this Agreement, be entitled to the recovery of their reasonable expenses and attorney's fees in enforcement or defense of any such action.

Section 14.14. **No Partnership Intended for Non-Tax Purposes.** The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership under either the Indiana Uniform Partnership Act nor the Indiana Uniform Limited Partnership Act. The Members do not intend to be partners one to another, or partners as to any third party.

ARTICLE XV

SALE OF LAND

Section 15.1. **Pricing Formula.** The Members agree that each parcel of land sold by the "Company" to either of the Members must be priced according to the following formula: Cost of land development divided by the total number of land parcels equals the sales price.

Section 15.2. **Additional Capital Contributions.** Upon sale of a parcel of land to either Member, the Member must pay additional capital contribution to the "Company" equal to one-half ($\frac{1}{2}$) of the sale price of the parcel of land. The Company, in turn, shall be obliged to pay One Hundred Percent (100%) of that additional capital contribution to reduce the principal of an existing loan for land development.

Section 15.3. **Sales of Lots to Non-Members.** Upon a sale of a parcel of land to a non-member, such sale shall be deemed to be a sale by the Member who did not sell the immediately prior parcel of land which was sold. This methodology shall apply throughout the land development project. The purpose of this is to maintain equalization of capital contributions.

Section 15.4. **Unequal Sales of Parcels of Land.** In the event one

Member attains sale of one-half (½) of the parcels of land sooner than the other Member, then that Member shall not sell more parcels of land without the agreement of the other Member, which shall not be unduly withheld, who has not attained such sales, in order to maintain the equalization of expense and risk. Binding arbitration shall occur within sixty (60) days of the Member attaining sale of one-half (½) of the parcels when agreement cannot be reached between the Members.

Section 15.5. **Equalization of Capital Contributions.** When the land development loan is paid in full, if there exists an unequal ratio of capital contributions between the Members resulting from more parcels of land being sold to one Member than to the other, the Member with the lower percentage of additional capital contributions shall promptly pay to the other Member an amount that would reimburse the difference between the two Members' additional capital contributions. When such payment is made, the Members agree that there is an equal ratio of capital contributions within the Company.

Section 15.6. **Division of Lots After Loans Paid.** If parcel of lands are remaining to be sold after any land development loan is paid in full, the Members shall be entitled to equal transfer of the remaining parcels of land at no cost as fulfillment for the additional capital contributions made from previous land sales.

IN WITNESS WHEREOF, the Initial Members have executed this Agreement on the date set forth opposite their signatures, to be effective, however, as of November 14, 2000.

DATE: _____, 2001 By: _____
[Redacted] INC.

DATE: _____, 2001 By: _____
[Redacted], INC.
[Redacted]

Exhibit "A"
to Operating Agreement

NAMES AND ADDRESSES OF MEMBERS

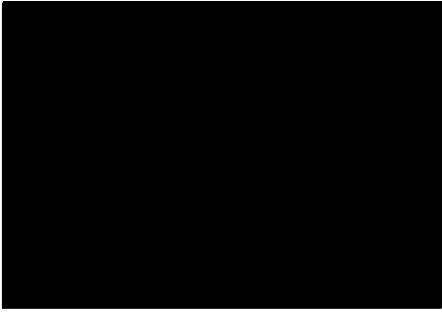



Exhibit "B"
to Operating Agreement

CAPITAL CONTRIBUTIONS. PERCENTAGE INTERESTS & UNITS OF MEASURE

<u>Member</u>	<u>Capital Contributions</u>	<u>Percentage Interest</u>	<u>Units</u>
	\$	50%	50
	\$	50%	50

BY-LAWS OF [REDACTED], INC.

ARTICLE I

NAME AND LOCATION

SECTION A: NAME

The name of this organization shall be [REDACTED] FOUNDATION, INC., hereafter referred to as the FOUNDATION.

SECTION B: LOCATION

The Post Office address of its principle office is [REDACTED], Indiana.

ARTICLE II

PURPOSE

SECTION A: PURPOSE

The purpose of this organization is to:

- 1.0 Foster opportunities for people with disabilities, support [REDACTED] Inc., and encourage gifts and endowments.
- 2.0 Undertake any and all activities that may be lawfully performed by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor provision, and that are consistent with tax exempt status under such Section.

SECTION B: NOT-FOR-PROFIT

This FOUNDATION is a non-profit, non-political, non-sectarian organization, in which no officer or director shall receive any compensation for his services as an

officer or director. It is organized and incorporated under Indiana Act 1921, Ch. 246, Sec. 1, P. 730, as amended, titled: "An act concerning the organization of foundation or holding companies and prescribing their powers and duties."

ARTICLE III

MEMBERSHIP

SECTION A: MEMBERSHIP

1.0 Members

The voting members of the FOUNDATION shall be the Board of Directors of [REDACTED] Inc., hereafter referred to as [REDACTED].

2.0 Quorum

A simple majority of the voting members shall be present to conduct business.

3.0 Parliamentary Procedure

Robert's Rules of Order shall govern the conduct of business in all cases in which they are applicable and not in conflict with these Bylaws.

4.0 Meeting Notice

Meetings other than the Annual Meeting may be called by the [REDACTED] Board Chair or upon written request by any three (3) members provided that notice be given in writing at least ten (10) days prior to the meeting. Notice shall state the time, place, and general purpose of the meeting.

ARTICLE IV

BOARD OF DIRECTORS

SECTION A: BOARD OF DIRECTORS

- 1.0 The voting members of the FOUNDATION shall elect a Board of Directors, which shall be responsible for the conduct of the business and management of the FOUNDATION. The Board shall exercise all of the

power inherent in the control and management of the FOUNDATION except those duties expressly reserved to voting members.

- 2.0 By way of illustration, and not limitation, the Board is authorized to enter into contracts in the name of the FOUNDATION, to:
 - Borrow money and/or property
 - Execute promissory notes, mortgage, and other evidences of indebtedness
 - Receive by gift, devise, bequest, or otherwise, any money or property, absolutely in trust
 - For the furtherance of any of the above mentioned purposes
 - Do any other act or thing deemed necessary to further carry out the purposes
- 3.0 The Board of Directors may authorize any officer or officers, agent or agents of the FOUNDATION, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the FOUNDATION, and such authority may be general or confined to specific instances.
- 4.0 All checks, drafts, or other orders for the payment of money, notes or other evidence of indebtedness, issued in the name of the FOUNDATION, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the FOUNDATION, and such authority may be general or confined to specific instances.
- 5.0 The funds of the FOUNDATION shall be deposited to the credit of the FOUNDATION in such banks, trust companies or other depositories as the Board of Directors may select.
- 6.0 The Board of Directors may solicit and accept on behalf of the FOUNDATION any contribution, gift, bequest or devise for the general purpose or for any specific purpose of the FOUNDATION.
- 7.0 The Board of Directors shall make all investments according to the "prudent investor rule" as outlined by the American Law Institute in 1992 or any subsequent restatements. By way of illustration, and not limitation, the assets of the FOUNDATION are, at all times, to be invested with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the investment of assets of like character and aims.
- 8.0 The Board of Directors may authorize any other class or classes of members, such as honorary, life, associate, contributing, benefactor, or

other, as the Board may deem advisable, and may determine the rights, privileges, duties, qualifications for membership and any other rules pertaining to such other class or classes of membership except that the Board shall not confer the right to vote on any such class or classes of members.

SECTION B: NUMBER OF BOARD MEMBERS

There shall be no more than eighteen (18) members.

SECTION C: ELECTION OF BOARD MEMBERS

- 1.0 A Nominating Committee shall select candidates to be considered for election to the FOUNDATION Board. The Nominating Committee shall be appointed as follows:

Three (3) members shall be appointed by the President of the [REDACTED] Board and two (2) members shall be appointed by the President of the FOUNDATION Board. The President of the [REDACTED] Board shall designate one of the members as Chairperson of the Committee.

- 2.0 The Nominating Committee is to be appointed in January by the President from the members of the Governance Committee to serve for two (2) years.

- 2.1 Nominations for FOUNDATION Board of Directors are to be voted on by [REDACTED] Board of Directors at the FOUNDATION Annual Meeting in June of each year.

- 3.0 Additional nominations may be made by any voting member at the Annual Meeting held for the purpose of electing Directors to the FOUNDATION Board and other business, if any.

SECTION D: TERM OF OFFICE

- 1.0 Each Director shall be elected for the term of three (3) years. Each Director may, upon nomination, serve no more than three (3) consecutive terms. A Director may be eligible to serve on the Board of Directors one (1) year after the expiration of the previous term.

- 2.0 The term of office shall begin on July 1.

SECTION E: VACANCIES IN OFFICE

- 1.0 The Board of Directors may declare vacant the office of any director who shall move outside the geographic areas of operation of the Corporation, or who shall be absent from three consecutive meetings of the Board of Directors.
- 2.0 Any elected Director of the Foundation may be removed at any time with or without cause. A regular meeting or a special meeting may be called for such a purpose, by a two-thirds vote of the entire Board. When a Board Member is sought to be removed for cause, such person shall be given at least five (5) days notice thereof, prior to such meeting. Such member shall be entitled upon request to have the charges reduced to writing and signed by the person or persons preferring the same. Such request shall be in writing and filed with the Secretary of the Board two (2) days prior to the meeting at which the matter is to be considered. At the hearing, such Board Member shall have the right to be confronted with and to cross-examine the person or persons preferring such charges and/or witnesses, and shall be allowed to call witnesses on their own behalf. The decision of the Board of Directors at such hearing shall be final.
- 3.0 Vacancies occurring on said Board may be filled at any time by appointment of the voting members, and such appointee shall serve the entire unexpired term of his predecessor in office. A person appointed to fill a vacancy shall be considered to have served a full term.

ARTICLE V

OFFICERS AND EXECUTIVE DIRECTOR

SECTION A: OFFICERS

The officers of the FOUNDATION shall be a President, President-Elect, Treasurer, and Secretary.

SECTION B: **NOMINATION, ELECTION, QUALIFICATIONS AND
TERMS OF OFFICE**

- 1.0 The Governance Committee will present a slate of candidates for the offices of President, President-Elect, Treasurer, and Secretary at the July meeting. The officers shall be elected from among the Directors by majority vote at the same meeting. The officers shall take office on the date of their election and shall hold office until successors have been duly elected and have qualified. Officers will serve one two- (2) year term of office. Vacancies may be filled at any meeting of the Board of Directors.
- 2.0 The Nominating Committee shall be appointed at the January meeting from the Governance Committee. It will consist of two (2) Directors. The Nominating Committee will be governed by the Nominating Committee Guidelines.
- 3.0 If the election is not held at the time designated by these Bylaws, such failure shall not cause any defect in the corporate existence of the Corporation, but the existing office holders shall serve until their successors are chosen and qualified.

SECTION C: **DUTIES OF OFFICERS**

The duties of the officers shall be such as usually attached to such offices and such further duties as may be designated from time to time by the Board of Directors and, by way of illustration and not limitation, are as follows:

1.0 President

The President shall preside at all meetings of the FOUNDATION and Board of Directors. The President shall appoint the Chairperson of all committees, with the approval of the Board, and supervise, directly or indirectly, their work. The President shall act as Executive Officer of the FOUNDATION and perform all the duties usually associated with the office of President. The President shall, in the name of the FOUNDATION, execute all instruments, deeds, contracts and conveyances as authorized by the Board of Directors.

2.0 President-Elect

The President-Elect shall serve as an ex-officio member of all standing committees. The President-Elect shall assist the President in the performance of the President's duties and act as President in the absence of the President. The President-Elect will be the next President.

3.0 Treasurer

The Treasurer shall be responsible for all revenues received by the FOUNDATION, maintaining a complete and accurate account of all funds received and dispersed, depositing and disbursing all funds in the name of the FOUNDATION and being the legal custodian of all monies, notes, securities and other valuables of the FOUNDATION. The Treasurer shall furnish at all meetings of the Board of Directors, or whenever requested by the President or Board, a statement of the financial condition of the FOUNDATION according to normally accepted accounting standards. The Treasurer and anyone designated to assist the Treasurer shall be bonded in an amount to be determined by the Board of Directors.

4.0 Secretary

The Secretary shall be responsible for the correspondence of the FOUNDATION, maintaining an accurate and complete record of the proceedings of all meetings of the FOUNDATION, serving all notices and being custodian of all records of the FOUNDATION except the financial records. The Secretary shall attest the execution by the President, acting in the name of the FOUNDATION, of all instruments, deeds, contracts and conveyors authorized by the Board of Directors.

SECTION D: DELEGATION OF AUTHORITY

In the absence of any Officer of the FOUNDATION, or for any reason the majority of the Board of Directors may deem sufficient, the Board may delegate the power and duties of any Officer to any other Officer or to any Director, for a specific meeting or specific period of time, provided a majority of the entire Board concurs therein.

SECTION E: EXECUTIVE DIRECTOR

An Executive Director may be hired and shall serve under the direction of the Board by suitable contractual agreement. The principal duties of the Executive Director are as follows:

- 1.0 Carry out long-range plans and policies determined by the FOUNDATION Board.
- 2.0 Coordinate all fundraising activities in order to enlarge the endowment of the FOUNDATION.
- 3.0 Work with the President, Chief Financial Officer, and other staff of [REDACTED] in providing support for the FOUNDATION Board through its management agreement with [REDACTED].

SECTION F: EX-OFFICIO OFFICERS

Non-voting ex-officio members of the FOUNDATION Board are the President and Chief Financial Officer of [REDACTED] and the Executive Director of the FOUNDATION.

ARTICLE VI

MEETINGS

SECTION A: MEETINGS

1.0 Annual Meeting

The Annual Meeting of the FOUNDATION shall be held in June.

2.0 Regular Meetings

The Board of Directors shall meet on a regular schedule to be established at their first meeting of each fiscal year.

3.0 Special Meetings

Any Special meeting of the Board may be called by the President, Secretary, or upon the request of three (3) Board members on not less than seventy-two (72) hours notice unless waived by five (5) members of the Board of Directors being present and voting for waiving notice.

4.0 Notice

The Secretary shall be responsible for notifying all Directors in writing at least five (5) days before all Regular Meetings and not less than seventy-two (72) hours before all Special Meetings. Notice shall state the time, place and general purpose of the meeting. At any meeting at which all

Directors are present, notice of the time, place and purpose shall be deemed waived. Any Director may waive notice of any meeting by written instrument executed either before or after such meeting.

SECTION B: **COMMITTEES**

1.0 Governance Committee

The Board of Directors will establish one standing committee. The name of that committee is the Governance Committee. It will consist of five members, including the President. The committee will elect a Committee Chairperson at their first meeting. The members will serve one two- (2) year term. The newly-elected President will appoint four (4) members of the Board at the August meeting.

The responsibilities of the Committee:

1. Recruit, interview and recommend to the Nominating Committee people to serve on the Board of Directors.
2. Choose two (2) members to be on the joint Nominating Committee of the FOUNDATION and [REDACTED]
3. Nominate officers of the Board of Directors.
4. Periodically review the bylaws of the FOUNDATION.
5. Responsible for training and strategic planning for the Board of Directors.

The Board of Directors may establish any additional committees or subcommittees they deem necessary. Any person, whether or not they are a member of the FOUNDATION, may serve on any committee or subcommittee.

SECTION C: **QUORUM**

A simple majority of the Board shall be necessary to constitute a quorum at all Board of Director meetings. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the entire Board of Directors. Members of the Board must be present to vote.

SECTION D: **PARLIAMENTARY PROCEDURE**

Robert's Rules of Order shall govern the conduct of business in all cases in which they are applicable and not in conflict with these bylaws.

SECTION E: FISCAL YEAR

The fiscal year shall begin July 1st and end June 30th of each calendar year.

ARTICLE VII

AMENDMENTS

SECTION A: AMENDMENTS

These Bylaws may be amended by a two-thirds (2/3) vote of the membership.

These Bylaws were approved and adopted by the [REDACTED], INC.
Board of Directors on:

DATE: _____

BY: _____
 President Secretary
 [REDACTED] [REDACTED]
 Board of Directors Board of Directors

MANAGEMENT AGREEMENT

This AGREEMENT made and entered into in duplicate this 1st day of JULY, 2014 by and between [REDACTED] INC. ([REDACTED]) and [REDACTED] FOUNDATION, INC. (Foundation) WITNESSETH:

1. Term of Agreement: This agreement shall be for a period commencing on the FIRST day of JULY 2014 ending on the THIRTIETH day of JUNE 2016.
2. Duties of [REDACTED] During the term of this agreement, [REDACTED] will provide support staff providing the following: management and fiscal services for Foundation, especially including the following, to wit:
 - 2.1 Financial analysis and forecasting services as are required for routine operations, including:
 - 2.4.1 Monthly statement of condition
 - 2.4.2 Projections of income from investments
 - 2.4.3 Special analysis of proposed programs or services expansion
 - 2.4.4 Report development and condition of Foundation to creditors and financial supporters
 - 2.4.5 Prepare and file all appropriate government required reports
 - 2.4.6 Prepare meeting packets, minutes and maintain communication between the Foundation and [REDACTED] staff.
3. Termination: This agreement may be terminated by either party hereto by such party giving notice to the other of at least thirty (30) days in advance of its desire to terminate. Notice of intended termination shall be in writing and may be delivered to the party to be notified (or any corporate officer hereof), in person or may be mailed by certified mail, return receipt requested, addressed to the last known address of the party to be notified and absent notice to the contrary at such address as is shown hereafter. The effective date of any notice given by certified mail shall be the date the same is deposited in any United States Post Office, postage prepaid properly addressed.
4. Assignment: Neither [REDACTED] nor Foundation shall assign this agreement or any of its rights hereunder without the expressed written consent of the other.

IN WITNESS WHEREOF, the parties have executed this agreement in Huntington, Indiana, as the date first written above.

BY:

[REDACTED]
President

BY:

[REDACTED]
Board President

BY-LAWS OF

DEVELOPMENT CORPORATION

ARTICLE I

NAME

This organization shall be known as [REDACTED] Development Corporation. Said name may be changed as needed upon the approval of the Board of Directors.

ARTICLE II

PURPOSE AND AREA

The purposes of this corporation are as set out in the Articles of Incorporation. The area of operation of the Corporation shall be the State of Indiana although the corporation may focus on [REDACTED] Counties, Indiana. Development in additional counties or other states may occur upon approval of the Board of Directors.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1- NUMBER OF DIRECTORS

There shall be no less than three (3) nor more than twenty-five (25) Directors, provided that there shall always be an uneven number of Directors. The number of Directors may be changed by a majority vote of the Board of Directors.

QUALIFICATION OF DIRECTORS

All Directors must be residents of the State of Indiana. One third (1/3) of the Board Members shall be residents of low income neighborhoods, or a low income community resident, an elected representative of a low income neighborhood organization or an individual employed by a public entity. In the event that the Board cannot locate an individual meeting the above qualifications, the Board may utilize an advisory committee formed by a low income programs beneficiaries to advise the Board in making developmental and management decisions. The Board will attempt to obtain the services of board members from areas representative of the areas being served by the Corporation so far as possible. The Board may authorize the attendance at Board Meeting by non-voting Associate Directors. Associate Directors shall be persons selected by the Board to become familiar with Board operations with a view toward their possible recruitment for future duty as board members.

TERMS

Each Director shall be elected for a three (3) year term of office. The Board shall stagger the terms of the board members so that no more than one-third (1/3) of the Board shall complete their term of office in any one (1) year.

QUORUM

Thirty percent (30%) of the board membership shall constitute a quorum for meetings with the exception that any meeting at which major property development decisions are to be taken shall require a quorum of fifty percent (50%) of the Board. All duly elected Directors are entitled to one vote.

MEETINGS

The Board shall meet at least quarterly and may meet at such other times as the Board may desire. The Board may meet either in person or by an electronic means which allow the members of the Board to hear and be heard by the other board members simultaneously.

CONSECUTIVE TERMS

A Director may not serve more than three (3) consecutive three (3) year terms. Directors who have completed three (3) consecutive three (3) year terms are eligible for re-election to the Board after one (1) full year after their third term has expired.

UNEXPIRED TERMS

Any vacancy on the Board shall be filled by an election of the Board of Directors at the next regular board meeting or at a special meeting in the event a candidate is identified prior to the next board meeting. If said candidate is elected he or she shall complete the unexpired term.

CONFLICT OF INTEREST

Any person serving on the Board who has any relationship which may constitute a conflict of interest must disclose such information to the Board of Directors upon their nomination. The Board of Directors will determine whether the conflict of interest is of such a nature that it would potentially prohibit the individual from fulfilling his duties as director. The Board of Directors will inform the individual if they are unable to consider them as a potential director due to the nature of the conflict of interest.

DUTIES

The Board of Directors shall determine policy to be executed by the management of the corporation. The Board of Directors shall exercise a general oversight of the operations of the corporation. The Board of Directors may employ such professional personnel or consultants as required to assist them in their responsibilities or to assist the management of the corporation in the exercising of its responsibilities.

TERMINATION OF DIRECTORS

If any director fails to attend three (3) consecutive regular meetings of the Board, he or she shall be removed from the Board unless the Board elects to waive said non-

attendance. The Board may remove any director for cause or without cause upon a two-thirds (2/3) vote of the Directors.

ARTICLE IV

OFFICERS OF THE BOARD OF DIRECTORS

The officers shall consist of a President and Secretary.

SECTION 1- ELECTION OF OFFICERS

Officers shall consist of a President and Secretary elected by majority vote of the Board of Director at their Annual Meeting in January.

SECTION 2- TERMS OF OFFICE

The Officers shall serve one year terms with elections held in January.

SECTION 3- UNEXPIRED TERMS OF OFFICE

A vacancy in any office shall be filled by an election by the Board of Directors at the next regular Board meeting to complete the unexpired term of office.

SECTION 4- DUTIES OF OFFICERS

A. PRESIDENT

The President shall preside at all meetings of the Board of Directors. He or she shall appoint the Chairpersons and members of all standing committees. The President may appoint special committees, appoint special committee Chairpersons, and members as required. The President will not participate in any voting, except in the event of a tie vote.

B. SECRETARY

The Secretary or designee shall maintain a record of the proceedings of all regular and special meetings of the Board of Directors. The Secretary shall sign all documents requiring the signature of the Secretary.

ARTICLE V

MEETINGS

SECTION 1 – REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held at least quarterly in accordance with a schedule of meetings adopted by the Board of Directors at the January annual meeting. It shall be the duty of the Secretary of the Board of Directors, or designee to give written notice of regular meetings to all Directors.

SECTION 2- SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the President or by two (2) of the Directors upon application to the Secretary. The Secretary or designee shall give notice and the purpose of the called meetings at least three (3) days prior to the meeting date. No other business may be transacted at a special meeting other than that specified in the notice.

SECTION 3- ANNUAL MEETING

The annual meeting of the Board of Directors shall be held in January. An annual report of the activities of the corporation for the previous year will be reviewed at this meeting. The installation of new officers and directors will be held.

ARTICLE VI **COMMITTEES**

SECTION 1- COMMITTEES

The nominating Committee is the only standing committee. All other committees will be formed by the President of the Board based on need. Committees may include:

SECTION 2- COMMITTEE RESPONSIBILITIES

A. FINANCE PLANNING COMMITTEE

The Finance and Planning Committee shall be chaired by the Treasurer and is responsible to the Board of Directors for all fiscal matters related to the Corporation. The committee shall review and approve annual budgets, audits, and financial reports. The committee shall oversee all long range planning and expansion of services and annually evaluate the performance of the Executive Director.

B. BUILDING AND GROUNDS COMMITTEE

The Building and Grounds Committee shall make recommendations to the Board of Directors regarding property acquisition, capital improvement needs, and maintenance issues.

C. SPECIAL COMMITTEE

Special Committees may be assigned by the President for particular projects or responsibilities. The President shall also appoint a Chairperson.

SECTION 3- NOMINATING COMMITTEE

The Nominating Committee of [REDACTED] Inc. shall act as the nominating committee of the Corporation and shall prepare a slate of nominees for

election to the Board of Directors and shall secure the consent of its nominees to serve if elected. It shall be the duty of the Nominating Committee to secure nominees to fill interim vacancies throughout the year.

SECTION 4- MINUTES OF COMMITTEES

All Committee Chairpersons or designees shall keep minutes of their meetings and make them a part of the records of the Board of Directors. All Committee Chairpersons shall report to the Board of Directors as required.

SECTION 5- QUORUM OF COMMITTEES

A quorum shall consist of a simple majority of the voting members of the committees. There shall be no vote by proxy; however, telephone or written votes may be accepted upon approval of the Chairperson.

ARTICLE VII **ELECTIONS**

SECTION 1- ELECTION OF DIRECTORS

The [REDACTED] Inc. Board of Directors shall responsible for nominating and electing all Director of the Corporation at it's regularly schedule meetings as the need arises.

SECTION 2

The Nominating Committee of Pathfinder Services, Inc. shall present its report of nominations in accordance with the duties of the Committee as outlined in ARTICLE VI, Committees, Section 2, Committee Responsibilities, (D) Nominating Committee.

SECTION 3

Officers and Directors shall take office at the January annual meeting following their election.

SECTION 4

Interim vacancies in any office or on the Board of Directors shall be filled by the Board of Directors to complete the unexpired terms(s) pursuant to ARTICLE III, Terms of Directors, Section 5, Unexpired Terms.

ARTICLE VIII
PARLIAMENTARY PROCEDURE

Robert's Rules of Order shall govern all proceedings of the Board or any Committees not otherwise provided for in these Bylaws.

ARTICLE IX
FISCAL YEAR

The fiscal year of the Corporation shall begin January 1st and end December 31st of each year.

ARTICLE X
AMENDMENTS

These Bylaws may be amended by a two-thirds (2/3) majority vote of the Board of Directors at any regular meeting of the Board of Directors, providing that all Directors are notified of such proposed amendment(s) at the previous regular Board meeting.

These are current Bylaws adopted by the Board of Directors of [REDACTED] Development Corporation, on the 24th day of March, 2008.

[REDACTED]
President

[REDACTED]
Secretary

CONFORMED COPY

I certify that the foregoing is a true, accurate, and complete copy of the original Bylaws on file in the Corporate Records of [REDACTED] Development Corporation.

[REDACTED]
President

March 24, 2008
Date

MANAGEMENT AGREEMENT

This AGREEMENT made and entered into in duplicate this 1st day of January 2014 by and between [REDACTED] INC. ([REDACTED]) and [REDACTED] Development Incorporated. ([REDACTED]) WITNESSETH:

- 1.0 Term of Agreement: This agreement shall be for a period commencing on the FIRST day of JANUARY 2014 and continuing over a two-year period that will end December 31, 2015.
- 2.0 Duties of [REDACTED] During the term of this agreement, [REDACTED] will provide management and fiscal services for [REDACTED], especially including the following, to wit:
 - 2.1 [REDACTED] or successor will assume the role of Executive Director, and [REDACTED] or successor, Chief Operating Officer (COO) for [REDACTED]
 - 2.2 Create and carry out the long-range business plan and policies and goals determined by the [REDACTED] Board of Directors.
 - 2.3 Develop and manage an annual operating budget as approved by the Board of Directors.
 - 2.4 Provide financial reports, analysis and forecasting services as are required for routine operations, including:
 - 2.4.1 Monthly statement of condition and statement of income
 - 2.4.2 Projections of income from investments
 - 2.4.3 Special analysis of proposed programs or services expansion
 - 2.4.4 Report development and condition of [REDACTED] to creditors and financial supporters
 - 2.4.5 Prepare and file all appropriate government required reports
- 3.0 Management Fee to [REDACTED] [REDACTED] agrees to pay [REDACTED] as compensation for its services to be rendered hereunder, a monthly amount of \$500 to be voted on at its annual meeting, payment of which is contingent upon [REDACTED] financial capabilities, business growth and related services required. In addition, reimbursement for additional services needed or required by [REDACTED] and not otherwise contemplated by this agreement may be changed as agreed upon by [REDACTED] and [REDACTED]
- 4.0 Termination: This agreement may be terminated by either party hereto by such party giving notice to the other of at least thirty (30) days in advance of its desire to terminate. Notice of intended termination shall be in writing and may be delivered to the party to be notified (or any corporate officer hereof), in person or may be mailed by certified mail, return receipt requested, addressed to the last known address of the party to be notified and absent notice to the contrary at such address as is shown hereafter. The effective date of any notice given by certified mail shall be the date the same is deposited in any United States Post Office, postage prepaid, properly addressed.

5.0 Assignment: Neither [REDACTED] nor [REDACTED] shall assign this agreement of any of its rights hereunder without the expressed written consent of the other.

IN WITNESS WHEREOF, the parties have executed this agreement in [REDACTED] Indiana, as the date first written above.

[REDACTED]

[REDACTED]

BY: _____

[REDACTED]

President

[REDACTED]

BY: _____

[REDACTED]

Board President

[REDACTED]