

CODE OF BY-LAWS
OF
AMBER HIGHLANDS COMMUNITY ASSOCIATION, INC.

ARTICLE I

Identification

Section 1.01. Name. The name of the Corporation is AMBER HIGHLANDS COMMUNITY ASSOCIATION, INC. (hereinafter referred to as the "Corporation").

Section 1.02. Principal Office and Registered Agent. The post office address of the principal office of the Corporation is 803 S. Calhoun Street, Suite 500, Fort Wayne, Indiana 46802; the name and post office address of the Corporation's Registered Agent is William D. Swift, 803 S. Calhoun Street, Suite 500, Fort Wayne, Indiana 46802; and the address of the Registered Office for service of process is 803 S. Calhoun Street, Suite 500, Fort Wayne, Indiana 46802. The location of the principal office of the Corporation or the designation of its Registered Agent, or both, may be changed at any time, or from time to time, when authorized by the Board of Directors by filing with the Secretary of State, on or before the day any such change is to take effect, or as soon as possible after the death of its Registered Agent, or other unforeseen termination of its agent.

Section 1.03. Fiscal Year. The fiscal year of the corporation shall begin at the beginning of the first day of January and end at the close of the last day of December next succeeding.

Section 1.04. Corporate Seal. The corporation shall have no corporate seal.

ARTICLE II

Membership

Section 2.01. Membership. Every person or entity who is a record Owner of a Lot in Amber Highlands, including all of its various sections, shall be a member of the Corporation, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member, and provided further that with respect to any Lot subject to a land contract, the contract purchaser, rather than the holder of the fee simple title, shall be deemed the member.

Section 2.02. Classes and Voting Rights. The Corporation shall have two (2) classes of membership.

Class A: Class A membership consists of all Owners, except Developer. Class A members shall be entitled to one vote for each lot owned. When more than one person holds an interest in a lot, all such persons shall be members. The vote for such lot shall be exercised as its Owners among themselves determine; but in no event shall more than one vote be cast with respect to a lot.

Class B: Class B membership consists of Developer, or Developer's

designee that may purchase all of the lots in the subdivision. The Class B member shall be entitled to three (3) votes for each lot owned. Class B membership shall cease upon the happening of either of the following events, whichever occurs first:

- a. When total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or;
- b. On December 31, 2005.

No Member shall vote at any meeting if he is in default in the payment of any assessment levied by the Corporation or if he becomes a Member within ten (10) days next preceding the date of the meeting. Such rights may also be suspended after notice of hearing for a period not to exceed sixty (60) days for an infraction of published rules and regulations.

Section 2.03. Rights, Preferences, Limitations and Restrictions of Classes.

All Members of each Class shall have the same rights, privileges, duties, liabilities, limitations and restrictions as the other Members of such Class. All Members shall abide by the Articles of Incorporation, the Code of By-Laws, the Declaration, and the rules and regulations adopted by the Board of Directors.

Section 2.04. Membership Certificates. Each member of the Corporation shall be entitled, upon request, to a membership certificate signed by the President and attested by the Secretary stating that he is a Member of the Corporation and designating the class of membership and containing such other information as may be required by law. The form of membership certificate shall be prescribed by resolution of the Board of Directors. Membership certificates shall not be transferable except as herein provided.

Section 2.05. Transfer of Membership Certificates. The membership certificates for Class A members shall be non-transferrable and shall terminate upon the sale of his Lot. Notwithstanding the foregoing, membership certificates shall be automatically re-issued upon the sale of the Lot, but only to the purchaser thereof.

The membership certificate of the Class B member is transferable to any successor to the interest of Declarant in the development of Amber Highlands.

ARTICLE III

Meetings of Members

Section 3.01. Purpose of Meetings. At least annually and at such other times as may be necessary, the meetings of the Members of the Corporation shall be held for the purpose of electing the Board of Directors, and for such other purposes as may be required by the Articles or these By-Laws.

Section 3.02. Annual Meetings. The annual meeting of the Members of the Corporation shall be held within six (6) months of the close of each fiscal year. At the annual meeting, the Members shall elect the Board of Directors of the Corporation in accordance with the provisions of these By-Laws, approve the annual budget, and transact such other business

as may properly come before the meeting.

Section 3.03. Special Meetings. A special meeting of the Members may be called by the President, by resolution of the Board of Directors or upon a written petition of the Members who have not less than ten percent (10%) of the Vote. The resolution or petition shall be presented to the President or Secretary of the Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 3.04. Notice and Place of Meetings. All meetings of the Members of the Corporation shall be held at any suitable place in Allen County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting or when otherwise required by law, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Corporation to each Member of record at such address as appears on the records of the Corporation at least ten (10) days prior to the date of the meeting.

Section 3.05. Waiver of Notice. Notice of any meeting may be waived in writing by any Member if the waiver sets forth in reasonable detail the time and place of the meeting and the purposes thereof. Attendance at any meeting in person, or by proxy, shall constitute a waiver of notice of such meeting.

Section 3.06. Voting by Proxy. A Member may vote either in person or by his duly authorized and designated attorney-in-fact. When voting is by proxy, the Member shall duly designate his attorney-in-fact in writing delivered to the Secretary of the Corporation prior to commencement of the meeting.

Section 3.07. Quorum. At any meeting of the Members, representation of ten percent (10%) of the votes available in person, or by proxy, shall constitute a quorum. Unless otherwise provided by law or in the Articles of Incorporation, at all meetings of Members all matters shall be decided by the affirmative vote of a majority of votes cast by Members present in person or by proxy. If, however, such quorum shall not be present or represented at any meeting from time to time, the holding of said meeting may be postponed, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 3.08. Conduct of Meeting. The Chairman of the meeting shall be the President of the Corporation. He shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(a) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

(b) Treasurer's Report. The Treasurer shall report to the Members concerning the financial condition of the Corporation and answer relevant questions of the Members concerning the expenses and financial report for the prior year and the proposed budget for the current year.

(c) Election of Board of Directors. Nomination for the Board of Directors

may be made by any Class A or Class B Member from those persons eligible to serve. Such nomination shall be in writing and presented to the Secretary of the Corporation at least ten (10) days prior to the date of the annual meeting. Voting for the Board of Directors shall be by paper ballot. Ballots shall contain the name of each person nominated to serve as a Board member. Each Member may cast the vote or votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Member shall sign his ballot.

(d) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Corporation at least ten (10) days prior to the date of the meeting; provided, however, such written request may be waived at the meeting if agreed by a majority vote.

ARTICLE IV

Board of Directors

Section 4.01. Number. The number of Directors of the Corporation shall be three (3).

Section 4.02. Initial Board of Directors. The Initial Board of Directors shall be comprised of the persons designated in the Articles of Incorporation, all of whom shall be appointed by Declarant. Notwithstanding anything to the contrary contained in, or any other provisions of, the Declaration, the Articles, or the By-Laws (a) the Initial Board of Directors shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reasons or cause whatsoever, prior to the Applicable Date, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board.

Section 4.03. Qualification and Election of Directors. All Directors other than the Initial Board of Directors shall be Members of the Corporation at the time of their election to office and during their term of office as Directors. After the Applicable Date, the Directors shall be elected at the annual meeting of the Corporation by the Members and shall hold office for a term of three years or until their successors have been duly elected and qualified except that, at the first election after the Applicable Date, one member of the Board of Directors shall be elected for a three (3) year term, one for a two (2) year term, and one for a one (1) year term so that the terms of one-third (1/3) of the members of the Board shall expire annually. Any vacancy or vacancies occurring on the Board of Directors shall be filled by a vote of a majority of the remaining Directors or by vote of the Members if a Director has been removed in accordance with 4.04 of these By-Laws. Any Director elected to fill such vacancy shall serve for the unexpired term of the Director whose vacancy is thus filled.

Section 4.04. Removal of a Director. A Director or Directors other than the Initial Board of Directors may be removed with or without cause by vote of a majority of the voting Members at a special meeting of the Members duly called and constituted. In such case, the successor shall be elected at the same meeting from eligible Members nominated at the meeting. The Director so elected shall serve until the next annual meeting of the Members or until his successor is duly elected and qualified.

Section 4.05. Duties of the Board of Directors. The business and affairs of the Corporation shall be managed by the Board of Directors. The duties of the Board shall include, but are not limited to:

- (a) Contracting with others to perform the maintenance functions set forth in the Declaration;
- (b) Purchasing insurance as provided for in the Declaration and purchasing other insurance if it deems necessary;
- (c) Establishing appropriate assessments to be paid by the Members;
- (d) Collection of assessments from the Members;
- (e) Preparation of an annual budget, a copy of which shall be mailed and delivered to each Member at the same time as the notice of annual meeting is mailed or delivered;
- (f) Preparing and delivering annually to the Members a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Member simultaneously with delivery of the annual budget;
- (g) Keeping a current, accurate and detailed record of receipts and expenditures, and making all records and vouchers available for examination by a Member at any reasonable time;
- (h) Performing such other duties as may be reasonably inferred from the provisions of the Declaration or the Articles.

Section 4.06. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of its duties. These powers shall include, but are not limited to, the power:

- (a) To employ a managing agent hereinafter referred to as "Managing Agent" to assist the Board in performing its duties;
- (b) To purchase for the benefit of the Members such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
- (c) To procure for the benefit of the Members such insurance as in the opinion of the Board of Directors is necessary;
- (d) To employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;
- (e) To include the costs of all of the above and foregoing as expenses of the Corporation;

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

(g) To appoint from among the Members an Architectural Review Board consisting of not less than three (3) and not more than five (5) members who shall serve until a vacancy occurs by resignation or as the result of loss of status as a Member of the Corporation; (see specific restrictions)

(h) To adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, operation and enjoyment of the Common Properties and to fix and impose penalties for the violation of such rules and regulations;

(i) To constitute, appoint and establish such committees as the Board deems necessary to aid it in operating and managing the Corporation.

(j) To suspend the voting rights and right to use the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Corporation or for a period not to exceed sixty (60) days for an infraction of published rules and regulations.

Section 4.07. Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of the Members.

Section 4.08. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Members at the place where such meeting of the Members was held. This meeting shall be held for the purpose of electing and re-electing officers of the Corporation and consideration of any other business that may be brought before the meeting. No notice shall be necessary for the holding of this annual meeting.

Section 4.09. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, provided, however, the Board of Directors shall meet at least quarterly. The Secretary shall give notice of the regular meetings of the Board to each Director personally or by U.S. Mail at least five (5) days prior to the date of such meeting.

Section 4.10. Special Meetings. Special meetings of the Board may be called by the President or any two (2) members of the Board. Persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail at least three (3) days prior to the date of such special meeting give notice to the Board members. Notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time in Allen County, Indiana, as shall be designated in the notice.

Section 4.11. Waiver of Notice. Before any meeting of the Board, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall as to such Director

constitute waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.12. Quorum. A majority of the entire Board of Directors shall be necessary to constitute a quorum for the transaction of any business, and the action of a majority of the Directors present at any meeting at which a quorum is present shall be the decision of the Board of Directors unless the decision of a greater number is required by law, the Declaration, the Articles of Incorporation or these By-Laws.

Section 4.13. Executive Committee. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate two or more Members of the Corporation to constitute an executive committee which committee, to the extent provided in such resolution, shall have and exercise all the authority of the Board of Directors in the management of the Corporation, but the designation of a committee and delegation of authority to it shall not operate to relieve the Board of Directors or any Member from any responsibility imposed upon it or him.

Section 4.14. Bond. The Board of Directors shall require the Treasurer and such other officers as the Board deems necessary to give bond, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as deemed appropriate and consistent with the Declaration by the Board of Directors.

Section 4.15. Meetings by Electronic Communication. Any meeting of the directors may be attended by directors by means of any form of electronic voice communication, provided that all directors can simultaneously hear the proceedings and be heard by all the other directors in attendance at the meeting. A quorum for any meeting so held shall be computed on the basis of all persons in voice contact with each other. Any meeting so held shall be a formal meeting of the directors for all purposes, and any business may be transacted at such meeting that could be transacted if the directors were assembled in physical proximity to each other.

Section 4.16. Action Without a Meeting. Any action which may be taken at a Board of Directors' meeting may be taken without a meeting if evidenced by one or more written consents describing the action taken, signed by all of the Directors and included in the minutes or filed with the corporate records reflecting the action taken.

ARTICLE V

Officers

Section 5.01. Officers of the Corporation. The principal officers of the corporation shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and the Secretary shall not be performed by the same person.

Section 5.02. Election of Officers. The officers of the Corporation shall be elected

annually by the Board at the initial meeting of each new Board. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause, and his successor shall be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 5.03. The President. The President shall be elected from among the Members and shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Corporation and of the Board, and shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including but not limited to the power to appoint committees from among the Members as he may deem necessary to assist in the affairs of the Corporation and to perform such other duties as the Board may from time to time prescribe.

Section 5.04. The Vice President. The Vice President shall be elected from among the Members and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice-President shall automatically assume the office of President in the event of the death or resignation of the President. The Vice President shall also perform such other duties as the By-Laws may prescribe or as shall, from time to time, be imposed upon him by the Board or by the President.

Section 5.05. The Secretary. The Secretary shall be elected from among the Members. The Secretary shall attend all meetings of the Corporation and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall keep a current list of all Members of the corporation together with their addresses, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Corporation or the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 5.06. The Treasurer. The Treasurer shall be elected from among the Members and shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Corporation and such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities, and other valuables which may from time to time come into the possession of the Corporation. He shall immediately deposit all funds of the Corporation coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Corporation, and shall disburse such funds as directed by the Board of Directors. He shall assist the Board in the preparation of the annual budget and statement of income and expenditures to be presented to the members prior to the annual membership meeting.

Section 5.07. Assistant Officers. The Board of Directors may, from time to time, designate and elect from among the Members an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

Section 5.08. Delegation of Authority. In the case of the absence of any officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may

delegate the powers or duties of such officer to any other officer or to any Director, for the time being, provided a majority of the entire Board concurs therein.

ARTICLE VI

Dues and Assessments

Section 6.01. Dues and Assessments.

(a) Annual Accounting. Annually, after the close of each calendar year and prior to the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared and furnished each member a financial statement showing receipts and expenditures incurred and paid during the preceding calendar year.

(b) Annual Budget and Assessments. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a budget for the ensuing calendar year, estimating the total amount of the expenses for the ensuing year and furnishing a copy of such budget to each Member. The Board of Directors shall, based upon such budget, and subject to the recorded Declaration, determine the annual assessment to be paid by each Member during the ensuing calendar year. Payment of such assessment shall be made to the Board of Directors or such other person as directed by the Board. Such annual assessment shall be payable at such time or times as the Board determines in accordance with the terms of the Declaration. All assessments mentioned herein are exclusive of any taxes imposed by the federal, state, or other governmental bodies and agencies.

(c) Special Assessments. The Board of Directors shall have the power to levy special assessments in accordance with the terms of the recorded Declaration.

ARTICLE VII

Contracts, Checks, Notes, Etc.

All contracts and agreements entered into by the Corporation and all checks, drafts, and bills of exchange, and orders for the payment of money shall, in the conduct of the ordinary course of business of the Corporation, unless otherwise required by law, be signed by the President, or in his absence, the Treasurer. Any one of the documents heretofore mentioned in this Section for use outside the ordinary course of the business of the Corporation, or any notes or bonds of the Corporation, shall be executed by and require the signatures of both the President and the Secretary.

ARTICLE VIII

Amendments

The power to make, alter, amend, or repeal these By-Laws is vested in the Board of Directors of the Corporation, but such action shall be taken only at a meeting of such Board specifically called for such purpose. The affirmative vote of the majority of all the Directors shall be necessary to effect any changes in these By-Laws, unless otherwise provided in the Articles or these By-Laws.

ARTICLE IX

Conflicts

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

RESOLUTIONS ADOPTED BY WRITTEN CONSENT OF
THE SUBSCRIBING MEMBERS OF
AMBER HIGHLANDS COMMUNITY ASSOCIATION, INC.

The undersigned, being all of the subscribing members of Amber Highlands Community Association, Inc., adopt the following resolutions by written consent.

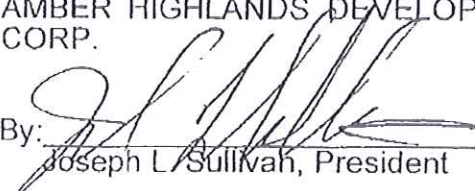
RESOLVED, that William D. Swift be, and he is hereby, designated to be the incorporator of Amber Highlands Community Association, Inc.

RESOLVED FURTHER, that Joseph L. Sullivan, William D. Swift, and Sue B. Swift are elected to be the members of the initial Board of Directors of Amber Highlands Community Association, Inc.

Dated this 8th day of May, 2001.

AMBER HIGHLANDS DEVELOPMENT
CORP.

By:


Joseph L. Sullivan, President

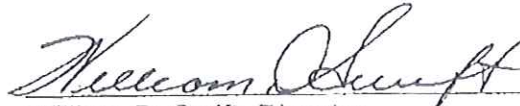
ACCEPTANCE OF THE POSITION OF DIRECTOR
OF
AMBER HIGHLANDS COMMUNITY ASSOCIATION, INC.

We, the undersigned, being all of the members of the Initial Board of Directors of Amber Highlands Community Association, Inc., named in the Articles of Incorporation, do hereby accept the position of Director of Amber Highlands Community Association, Inc.

Dated this 8th day of May, 2001.



Joseph L. Sullivan, Director



William D. Swift, Director



Sue B. Swift, Director