

AMENDED BYLAWS
OF
BLACK BIRD FARMS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Definitions

Section 1. Declaration. "Declaration" means the Second Amended Declaration of Covenants, Conditions and Restrictions for Blackbird Farms Planned Development, recorded or to be recorded in the Office of the Recorder of Tippecanoe County, Indiana, as the same may be amended from time to time.

Section 2. Association. "Association" means Blackbird Farms Homeowners Association, Inc.

Section 3. Meaning of Terms. Unless there appears a clear intention to the contrary, any term which is used in these By-Laws and which is defined in the Declaration or in the Articles of Incorporation shall have the same meaning as it has when so used in the Declaration or Articles of Incorporation.

ARTICLE II

Members

Section 1. Membership. The provisions of Article VIII, Section 1 of the Articles of Incorporation of the Association are incorporated herein by reference.

Section 2. Classes of Membership. The provisions of Article VIII, Section 2 of the Articles of Incorporation of the Association are incorporated herein by reference.

Section 3. Membership Certificates. Each Member shall receive a certificate signed by the President or Vice-President and Secretary or Assistant Secretary, stating that he is a Member of the Association and, while there is more than one class of membership, stating the class to which such Member belongs.

Class A membership certificates shall be automatically transferred upon change of ownership of a Lot, but the Association shall not be obligated to alter its membership records until notified in writing of such change of ownership. Except for such changes in ownership, Class A membership certificates shall not be transferable.

Class B membership certificates shall not be transferable to any entity other than Declarant.

The Association shall maintain the records required by law, which shall be available for review and copying by Members to the

full extent provided by law.

Section 4. Annual Meeting. The annual meeting of the Members shall be held within six months after the close of the fiscal year of the Association, at a time and place fixed by the Board of Directors. If for any reason the annual meeting of Members shall not be held at the time and place herein provided, it shall be held as soon as practicable thereafter. At the annual meeting the Members shall elect the directors of the Association for the following year. The Members may also transact such other business as may properly come before the meeting.

Section 5. Special Meetings. Special meetings of the Members shall be called upon the order of the President or a majority of the Board of Directors or upon presentation to the Secretary of a petition signed by at least one-tenth (1/10) of the Members entitled to vote by the Articles of Incorporation. In addition, a special meeting of the Members shall be called within thirty (30) days after the Applicable Date for the purpose of electing a new Board of Directors. No business shall be transacted at a special meeting except as stated in the notice of that meeting. If a special meeting is called upon a petition by at least one-tenth (1/10) of the Members as provided for above, the Secretary of the Corporation shall promptly issue notice of said special meeting which shall set forth the purpose of the meeting as described in the petition.

Section 6. Notice of Meetings. Notice of annual and special meetings shall be mailed to each Member at the address which appears on the records of the Association not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. All notices shall state the date, time and place of the meeting, and notice of a special meeting shall also state the purpose for which the meeting is called. In the case where several Members have the same address as shown on the records of the Association, one notice shall be sufficient.

Section 7. Voting Rights of Classes. The provisions of Article VIII, Section 3 of the Articles of Incorporation of the Association are incorporated herein by reference.

Section 8. Quorum. At all meetings of Members, the presence in person or by proxy of Members representing a majority of the outstanding voting rights shall constitute a quorum for the transaction of business. In addition, until the Applicable Date, the presence in person or by proxy of Members representing at least twenty-five percent (25%) of the outstanding Class A Members' voting rights shall be required to constitute a quorum for the transaction of business. A majority vote at any such meeting shall decide all questions unless a greater

plurality or a separate vote of the Class A Members is required by law, the Declaration, the Articles of Incorporation or these By-Laws. If at any meeting of Members there be less than a quorum present, the majority or those present may adjourn the meeting from time to time until a quorum can be obtained. Any business which might have been transacted at the meeting as originally called may be transacted at any adjournment thereof without further notice.

Section 9. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the commencement of the meeting in which they are to be voted. No proxy shall be valid for a period of more than eleven (11) months unless a longer time is expressly provided in the proxy, and every proxy shall automatically cease upon sale by the Owner of his Lot.

ARTICLE III

Board of Directors

Section 1. Number and Qualifications. The number of directors of the Association shall be three (3). After the Applicable Date, Directors must be Members of the Association.

Section 2. Election and Term of Office. Upon expiration of the terms of office of the initial directors, the directors shall be elected at the first annual or special meeting of Members by a majority of the votes cast by Members entitled to vote, for such terms and in such manner as is provided in the Articles of Incorporation, the provisions of which are incorporated herein by reference. Nomination of directors shall be made by a nominating committee appointed by the Board of Directors and may also be made from the floor at the annual meeting or special meeting of members, if Directors may be elected at a special meeting.

Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held annually immediately following the annual meeting of Members and at such other intervals and upon such notice as may be fixed from time to time by resolution of the Board of Directors.

Section 4. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two directors after not less than seven (7) days notice to each director. Notice of any meeting of the Board of Directors may be

waived in writing or by attendance at such meeting.

Section 5. Quorum. At all meetings of the Board of Directors, a majority of the voting directors shall constitute a quorum for the transaction of any business. A majority vote of the voting directors at any such meeting shall decide all questions unless a greater plurality is required by law. If at any meeting of the Board of Directors there is less than a quorum of voting Directors present, the majority of those present may adjourn the meeting from time to time until a quorum can be obtained. Any business which might have been transacted at the meeting as originally called may be transacted at any adjournment thereof without further notice.

Section 6. Action by Unanimous Written Consent Without a Meeting. Any action which is required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting if, prior to such action, a written consent setting forth the action to be taken is signed by all directors or all Members of said committee as the case may be. A copy of the consent shall be filed with the minutes of the meetings of the Board of Directors.

Section 7. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have such powers as are given to it by law, by the Articles of Incorporation and by the Declaration including, but not limited to, the power:

(a) To call special meetings of the Members whenever it deems necessary;

(b) To appoint and remove at its pleasure all officers, agents and employees of the Association, to prescribe their duties and to require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or director of the Association in any capacity whatsoever;

(c) To employ or contract for a manager or managing agent for such compensation, during such period and upon such other terms and conditions as the Board of Directors may determine;

(d) To establish, levy, assess and collect all the various assessments or charges which under the terms and provisions of law, the Articles of Incorporation, these By-Laws and the Declaration, the Association is empowered or required to establish, levy, assess or collect. The Board of Directors may designate and retain a collecting agent to collect

such assessments or charges;

(e) From time to time to adopt, publish, amend, modify or withdraw rules and regulations governing the use of the Common Area and regarding the personal conduct thereon of the Members, their families and guests;

(f) To exercise for the Association all powers, duties and authorities vested in or delegated to the Association; and

(g) To contract for, or to provide directly, services for the common benefit of all Owners, consistent with the purpose of the Association, the cost of which shall be a Common Expense.

It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting held for such purpose;

(b) To keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses incurred. Such records and vouchers authorizing the payments shall be available for examination by the Owners at convenient hours on weekdays;

(c) To establish assessments by using generally accepted accounting principles applied on a consistent basis, including the establishment and maintenance of replacement reserve funds for contingencies and for capital repairs and replacements of the Common Area and Limited Common Area, which funds shall be used for those purposes only and not for usual and ordinary repair expenses of the Common Area and Limited Common Area. Such replacement reserve funds shall be maintained in separate interest-bearing accounts in a bank, savings bank or savings and loan association in Tippecanoe County, Indiana;

(d) To obtain liability insurance protection, in an amount to be determined by the Board of Directors from time to time, insuring the Association, its directors and officers, the manager, the respective employees and agents thereof and all Members against liability arising out of the use of the Common Area;

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

(f) To maintain, replace and repair the Common Area and to carry out all other obligations and duties imposed on the Association by the Declaration; and

(g) To provide budgets and accountings as required by the Declaration and the Articles of Incorporation of the Association.

Section 8. Compensation. The directors shall receive no compensation for their services as directors but shall be reimbursed for their actual expenses incurred in the discharge of their duties as directors.

Section 9. Death, Resignation and Removal. Any director may be removed, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining directors and shall serve until the next annual meeting or special meeting of the Members, whichever occurs first, at which time the vacancy shall be filled by the members.

Section 10. Attendance by Conference Telephone. Any or all directors may participate in any regular or special meeting of the directors by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means shall be deemed to be present in person at the meeting.

Section 11. Limitations. (a) Until the Applicable Date the Association may not enter into any contract with a term exceeding one year; (b) all contracts to which the Association is a party shall be terminable on the Applicable Date; and (c) the Association may not borrow for any purpose before the Applicable Date without approval by at least 75% of the Class A Members.

ARTICLE IV

Officers

Section 1. Designation. The officers of the Association shall be a President, a Secretary, a Treasurer and such other officers as the Board may from time to time by resolution designate.

Section 2. Election. The election of the officers shall take place at the first meeting of the Board of Directors and at each regular meeting following each annual meeting of the members.

Section 3. Term. The officers shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until his successor is elected and qualified, unless he shall sooner resign, be removed or become otherwise

disqualified. The terms of all officers elected prior to the Applicable Date shall end on the Applicable date.

Section 4. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Multiple Offices. Any two or more offices may be held by the same person except that the offices of the President and the Secretary shall not be held by the same person.

Section 6. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Board of Directors and Members and shall have such other powers and perform such other duties as are delegated to him by the Board of Directors.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the members. He shall have charge of such books and papers as the Board of Directors may direct and shall perform such other duties as may be from time to time imposed upon him by the Board of Directors.

Section 8. Treasurer. The Treasurer shall keep complete and accurate books of account in accordance with the accounting methods adopted by the Board of Directors, showing the financial condition of the Association and the results of its operations. He shall have custody of all monies of the Association and shall disburse such funds as directed by the Board of Directors. He shall cause an annual audit of the Association's books to be made at the completion of the Association's fiscal year and shall assist in the preparation of an annual budget and a statement of income and expenditures to be presented to the Members at their annual meeting.

Section 9. Fidelity Bonds. The Board of Directors may provide fidelity bonds and may require the Managing Agent, if any, the Treasurer and such other officers of the Association, as the Board of Directors deems necessary, to provide fidelity bonds, indemnifying the Association 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 may be approved by the Board of Directors, and any such bond shall specifically include protection for any insurance proceeds received for any reason by

the Association. The expense of any such bonds shall be a Common Expense. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Association or the Managing Agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such fidelity bonds be less than a sum equal to three (3) months' aggregate assessments on all Lots, plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The bonds shall also provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association.

ARTICLE V

Committees

Section 1. The Board of Directors shall appoint such committees as it deems appropriate in the management of the affairs of the Association. Such committees may include but are not limited to:

(a) A maintenance committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area and which shall perform such other functions as the Board of Directors in its discretion may determine.

(b) A publicity committee which shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make public release and announcements which are in the best interest of the Association.

(c) An audit committee which shall supervise the annual audit of the Association's books and review the annual budget and statement of income and operating expenditures to be presented to the membership in connection with its regular annual meeting. The Treasurer shall be an ex officio Member of this committee.

(d) An architectural review board which shall perform the functions described in Article VII of the Declaration.

ARTICLE VI

Assessments

Section 1. Annual Accounting. The provisions of Article IV, Section 2 of the Declaration are incorporated herein by reference.

Section 2. Proposed Annual Budget. The provisions of Article IV, Section 3 of the Declaration are incorporated herein by reference.

Section 3. Regular Assessments After the Applicable Date. The provisions of Article IV, Section 4 of the Declaration are incorporated herein by reference.

Section 4. Special Assessments. The provisions of Article IV, Section 5 of the Declaration are incorporated herein by reference.

Section 5. Regular Assessments Prior to the Applicable Date. The provisions of Article IV, Section 6 of the Declaration are incorporated herein by reference.

Section 6. Failure of Owner to Pay Assessments. The provisions of Article IV, Section 7 of the Declaration are incorporated herein by reference.

Section 7. Reserves. The Association shall build up and maintain two reserve funds. One shall be for contingencies and the other for capital repairs and replacements. Expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against the contingency reserve. The replacement reserve fund shall be used only for capital expenditures in connection with the replacement and repair of the Common Area and Limited Common Area and shall not be used for usual and ordinary repair expenses of the Common Area and Limited Common Area. Such funds shall be maintained in separate interest-bearing accounts in a bank, savings bank or savings and loan association in Tippecanoe County, Indiana.

Section 8. Non-Waiver. The failure or delay of the Association to assess or notify the Owner of any assessment shall not constitute a waiver or release of the Owner's obligation to pay any assessment as herein provided whenever the same shall be determined and, in the absence of any annual estimate or special assessment, the Owner shall continue to pay the assessment at the then existing monthly rate established for the previous year until the regular assessment shall have been established. No Owner may exempt himself from liability for the assessment imposed by this Article by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his

Lot or otherwise.

Section 9. Books and Records. The Association shall keep books of account of its receipts and expenditures specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses incurred. Upon ten (10) days notice to the Association and payment of a reasonable fee, any Owner shall be furnished a certificate of his account setting forth the amount of any unpaid assessment or other charge due or owing from such Owner. Any purchaser of a Lot may rely on the accuracy of such certificate and such purchaser shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments against the Owner which were incurred prior to the date of such certificate and which are in excess of the amount therein set forth.

Section 10. Default. If an Owner is in default in the payment of any assessment or charge, the Association may enforce its lien against such Owner's Lot and proceed to collect any such delinquent sum in accordance with the provisions of the Declaration. If such assessment or charge is not paid when due, a late charge of \$5.00 will be assessed for each week, or portion thereof, that the amount is due and unpaid. The Association may also assess reasonable attorneys' fees and costs of collection when any amount is not paid when due.

ARTICLE VII

Common Expense

In addition to those enumerated in the Declaration, the following shall be Common Expense:

All expenses incurred in connection with the exercise of any power or duty referred to in Article III, Section 7 of these By-Laws or in Article III of the Articles of Incorporation.

ARTICLE VIII

Business Management

Section 1. Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Limitation on Debt. The Association may not borrow money without authorization of 75% of the Class A

Members.

Section 3. Vouchers. All vouchers for payment of Association expenses shall be approved in writing prior to payment by such officer or agent and in such manner as shall from time to time be determined by the Board of Directors.

Section 4. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or agent of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 5. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 6. Books and Papers. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection by any Member for any proper purpose.

Section 7. Insurance. The Association, as a Common Expense, shall effect and maintain at all times insurance as determined by the Board of Directors, but not less than the types and in amounts described in the Declaration, without prejudice to the right of any Owner or the Association to maintain additional insurance.

Section 8. Fiscal Year. The fiscal year of the Association shall commence on January 1 and end on December 31 of each year.

ARTICLE IX

Amendments

These By-Laws may be altered, amended or repealed and new By-Laws adopted by a majority vote of the Board of Directors, and the subsequent approval of 75% of the Class A Members of the Association at any annual or special meeting of Members.

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