SPY RUN HILL ASSOCIATION

BY LAWS

These By Laws have been adopted pursuant to the Affidavit of Declaration of Covenants, Conditions and Restrictions for Spy Run Hill dated January 23, 1981 (referred to hereafter as the "Declaration"), which was recorded on January 26, 1981 as document No. 81-001619 in the office of the Recorder of Allen County, Indiana.

ARTICLE 1 – BOARD OF DIRECTORS

Section 1.01. Composition. There shall be a six-member Board of Directors, which shall consist of the owner or one of the co-owners of each of the six Lots of the Property.

Section 1.02. Powers and Duties. The Board shall have all the powers and shall perform all the duties necessary for the administration of the affairs of the Association as prescribed in the Declaration and the applicable law. The powers of the Board shall include, but not be limited to:

(a) To levy assessments for common expenses, monthly service charges and other charges as provided for in the Declaration, the Articles, if any, and applicable law;

(b) To pay all costs and expenses of administration and of maintenance of the common areas and facilities or the performance by the Association of any of its other duties and obligations;

(c) To enter into agreements for the management of the Association and all or any part of the common areas and facilities, including hiring a manager, whether as an employee or as an independent contractor, to perform such services and duties as the Board may direct including, but without limitation, any of the duties granted to the

officers of the Association in these By Laws or any duties of the Board set forth in this Section;

(d) To employ, hire and dismiss such employees as they deem necessary and to prescribe their duties and their compensation;

(e) To engage an attorney to serve as legal counsel and/or as Statutory Agent for the Association;

(f) To engage a Certified Public Accountant for the purpose of performing an annual audit, if the same is deemed to be necessary or appropriate;

(g) To promulgate such rules and regulations pertaining to use and occupancy of the common areas and facilities as may be deemed proper and which are consistent with the Declaration and the Articles, if any;

(h) To enforce all restrictions, conditions, covenants, reservations, liens and charges imposed by or pursuant to the Declaration and such rules and regulations as may be adopted by the Board pursuant to the foregoing paragraph, using such sanctions as the Board shall deem appropriate. All enforcement actions and remedies (whether legal, equitable or extra judicial) shall be deemed to be cumulative rather than alternative and the exercise of one remedy shall not be considered a waiver or an election as to any other right or remedy as to that or any other particular infraction;

(i) To record liens against any Lot to secure the payment of assessments and other obligations due from the Owners of such Lots, and to collect, sue, foreclose, or otherwise enforce, compromise, release, satisfy and discharge such liens or obligations;

(j) To remove, repair and restore any construction of or addition to any Lot, which is not authorized by the Declaration or by the Board;

(k) To prepare and adopt the annual budget for the Association;

(l) To borrow funds for capital improvements or replacements of the common areas and facilities;

(m) To open bank accounts on behalf of the Association and designate the signatories thereon;

(n) To make, or contract for the making of, repairs, additions to, improvements to or alterations of the common areas and facilities;

(o) To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Declaration or the applicable law;

(p) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting of the Owners; - and

(q) To insure the common areas and facilities and all other buildings, structures and property owned by the Association against such risks as the Board shall determine is necessary or advisable or as may be required by law or the Declaration.

Section 1.03. Voting Rights. Each Director shall be entitled to one vote with respect to any matter which may come before the Board. An affirmative vote of at least four Directors shall be required for the matter to be carried. Any Director may vote by written proxy.

Section 1.04. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration of any kind shall be paid to a Director for services performed for the Association in any other capacity, unless a resolution

authorizing the remuneration has been adopted by the Board before the services are undertaken.

Section 1.05. Meetings. The Board shall meet not less often than four times per year. Meetings shall be called by the President or by any three Directors on not less than ten days' written notice to all Directors; provided, however, written notice of any particular meeting may be waived by the concurrence of all Directors. All Owners and co-owners shall be entitled to attend and be heard at all Board meetings, although only Directors shall be entitled to vote on matters considered by the Board.

ARTICLE 2 – OFFICERS

Section 2.01. Designation. The principal officers of the Association shall be President, Vice President, Secretary and Treasurer. All officers must be members of the Board. The offices of Secretary and Treasurer may be held simultaneously by the same person.

Section 2.02. Election and Term of Office. The officers shall be elected by the Board for two-year terms commencing on the first day of November immediately following their election.

Section 2.03. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary.

Section 2.04. Powers and Duties. To the extent some or all of the following powers and duties are not assigned or delegated to a manager pursuant to these Rules and Regulations, the powers and duties of the officers shall be:

(a) President. The president shall be the chief executive officer of the Association; shall preside at all meetings of the Board or the Members; shall see that orders and resolutions of the Board are carried into effect; and have general and active management of the business of the Association.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board;

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Owners; and shall perform such other duties as required by the Board;

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds for appropriate Association purposes; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Owners at the regular annual meeting, and deliver a copy of each to the Owners; and, in general, perform all the duties incident to the office of treasurer.

ARTICLE 3 - INSPECTION OF BOOKS AND RECORDS

The books, accounts and other records of the Association shall be open to inspection by any member of the Board of Directors at all times. Any other Owner or Co-owner may inspect the books and records upon reasonable notice during normal business hours.