

BY-LAWS
OF
COPPERFIELD HOMEOWNER'S ASSOCIATION OF ELKHART COUNTY, INC.

ARTICLE I
Association

Section 1.1. Copperfield Homeowner's Association of Elkhart County, Inc. ("Corporation" or "Association") has been formed, as a not-for-profit corporation under the General Not-For-Profit Corporation Act of the State of Indiana, and shall be the governing body for all Lots and/or Dwellings in one or more subdivisions (collectively the "Subdivision") as described in the Restrictive Covenants affecting the Subdivision recorded in Elkhart County, Indiana, ("Declaration") which incorporates the Articles of Incorporation and these By-Laws by reference. The Association has been established in conjunction with the filing of Articles of Incorporation in a development established by **Fireside Homes, Inc.** ("Declarant"). The Corporation shall be responsible for the maintenance, repair, replacement, administration and operation of common areas of the Subdivision ("Subdivision" or "Property"), and may enforce any violations of the Declaration. In addition, the Association shall accept any conveyance from the Declarant of any clubhouse and/or recreational facilities in the Subdivision. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of each owner of a Lot and/or Dwelling (the "Owner") in accordance with the provisions contained herein.

ARTICLE II
Membership

Section 2.1. Membership Certificates. As provided by law, each member of the Corporation shall be entitled to a certificate signed by the President and attested by the Secretary certifying the membership held and such other information as may be required by law. The form of such certificate shall be prescribed by the Board of Directors.

Section 2.2. Duration of Membership: Withdrawal. Membership in the Corporation shall terminate upon the relinquishment, whether voluntary or otherwise, of Ownership of a Lot or Dwelling in the Subdivision. The term "Lot" contained in the Articles of Incorporation shall mean and include a Lot and Dwelling, if any. There shall be one membership per "Lot." All rights and privileges of a member in the Corporation shall cease on the termination of membership. Any member withdrawing from membership shall give written notice of such withdrawal to the President. Such notice shall be presented to the Board of Directors. Withdrawal of a member shall be effective upon fulfillment of all obligations of such member to the date of such meeting, and the Secretary of the Corporation shall thereupon cancel the membership certificate of such member.

Section 2.3. Dues, Fees and Assessments. The amount of any membership fees, dues and assessments, or waiver thereof, applicable to membership in the Corporation or to any class of such membership and the time and manner of payment thereof shall be determined by the Board of Directors, except that the Developer shall not owe any fees, dues or assessments, which

exception may not be amended ever even if the balance of these By-Laws may be amended or revoked. The Developer organized the creation of the Corporation in reliance on this exception to the payment of fees, dues and assessments.

ARTICLE III **Meetings of Members**

Section 3.1. Quorum. Meetings of the members shall be held at the Property or at such other place in Elkhart County, Indiana as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the members having forty percent (40%) of the total votes shall constitute a quorum. Unless otherwise expressly provided by law, the Articles of Incorporation or these By-Laws, any action may be taken at any meeting of the members at which a quorum is present upon the affirmative vote of the members having a majority of the total votes present at such meeting.

Section 3.2. Initial and Annual Meeting. The initial meeting of the members shall be held upon ten (10) days written notice given by the Declarant. Thereafter, there shall be an annual meeting of the members at such time or date as may be designated by written notice of the Board delivered to the members.

Section 3.3. Special Meetings. Special meetings of the members may be called by the President, by a majority of the Board of Directors, or by a petition in writing of at least one-half (1/2) of the members of the Corporation.

Section 3.4. Notice of Meetings. Written notice stating the place, day and hour of any meeting of members and, in the case of special meetings or when otherwise required by law, the purpose for which any such meeting is called, shall be delivered or mailed by the Secretary of the Corporation to each member of record, at such address as appears upon the records of the Corporation, and at least ten (10) days before the date of such meeting.

Section 3.5. Waiver of Notice. Notice of any meeting may be waived by any member in writing filed with the Secretary of the Corporation. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 3.6. Voting Rights. Each member of the Corporation shall have the voting rights specified in the Articles of Incorporation.

Section 3.7. Voting by Proxy. A member entitled to vote at any meeting of members may vote either in person or by proxy executed in writing by the member or a duly authorized attorney-in-fact of such member. (For purposes of the section, a proxy granted by telegram by a member shall be deemed "executed in writing by a member.")

Section 3.8. Voting Lost. The Secretary of Assistant Secretary of the Corporation shall at all times keep at the principal office of the Corporation a complete and accurate list of all members entitled to vote by the Articles of Incorporation. Such list may be inspected by any member for any proper purpose at any reasonable time.

Section 3.9. Conduct of Meetings. Meetings of members, including the order of business, shall be conducted in accordance with Roberts' Rules of Order, Revised, except insofar as the Articles of Incorporation, these By-Laws, or any rule adopted by the Board of Directors of members may otherwise provide. The members may, by unanimous consent, waive the requirements of this section, but such waiver shall not preclude any member from invoking the requirements of this section at any subsequent meeting.

Section 3.10. Action by Consent. Any action required to be taken at a meeting of members, or any action which may be taken at a meeting of members, may be taken without a meeting, if, prior to such action, a consent in writing, setting forth the action so taken, shall be signed by all members entitled to vote with respect thereto, and such consent is filed with the minutes of the proceedings of the members.

ARTICLE IV **Board of Directors**

Section 4.1. Duties and Qualifications. The business and affairs of the Corporation shall be managed by the Board of Directors. Each Director shall be a member or designated by a member of the Corporation.

Section 4.2. Number and Election. The initial Board of Directors shall be designated by the Declarant and shall consist of Eight (8) Directors who shall serve without compensation. Such initial Board shall serve until the qualification of the Directors elected at the initial meeting of voting members held as provided in Section 3.2 hereof. At the initial meeting of voting members held as provided in Section 3.2 hereof, the voting members shall elect the Board which shall consist of Eight (8) members. In all elections for members of the Board, each voting member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting Eight (8) board members shall be elected. The voting members having at least three-fourths (3/4) of the total votes may from time to time increase or decrease such number of persons on the Board or may decrease the term of office of board members at any annual or special meeting, provided that such number shall not be less than Eight (8), but not more than Ten (10), and that their term shall expire annually, but that officers and Board members may succeed themselves. Members of the Board shall receive no compensation for their services.

Section 4.3. Vacancies. Any vacancy among the Directors caused by death, resignation, removal or otherwise shall be filled by the remaining Directors. A Director chosen to fill a vacancy shall hold office until the expiration of the term of the Director causing the vacancy and until that director or his successor shall be elected and qualified.

Section 4.4. Annual Meetings. Unless otherwise agreed upon, the Board of Directors meeting shall immediately follow the annual meeting of the members, at the place where such meeting of members was held, for the purpose of election of officers of the Corporation and

consideration of any other business which may be brought before the meeting. No notice shall be necessary for the holding of such annual meeting.

Section 4.5. Other Meetings. Regular meetings of the Board of Directors may be held pursuant to a resolution of the Board to such effect. No notice shall be necessary for any regular meeting. Special meetings of the Board of Directors may be held upon the call of the President or of any three (3) members of the Board and upon forty-eight (48) hours notice specifying the time, place and general purposes of the meeting, given to each Director either personally or by mail, telegram or telephone. Notice of a special meeting may be waived in writing or by telegram. Attendance at any special meeting shall constitute waiver of notice of such meeting.

Section 4.6. Meetings Open to Owners. All meetings of the Board of Directors shall be open to attendance by any Owner.

Section 4.7. Meetings May be Attended by Electronic Voice Communication. Any meeting of the Board of Directors may be attended 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 the 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 Board of 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 4.8. Quorum. Four (4) of the entire Board of Directors shall be necessary to constitute a quorum for the transaction of any business, and the act of at least four (4) of the Directors present shall be the act of the Board of Directors unless the act of a greater number is required by law, the Articles of Incorporation, or these By-Laws.

Section 4.9. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board and such consent is filed with the minutes of proceedings of the Board of Directors.

Section 4.10. Committees. The President of the Board of Directors may from time to time create and appoint standing, advisory and special committees of members and other appropriate individuals to undertake studies, make recommendations and carry on functions for the purpose of efficiently accomplishing the purposes of the Corporation. **All committees must submit proposals to the Board for approval prior to any action or final decision for the committees.**

Section 4.11. Removal of Director. Any board member may be removed from office, at any time after the election of Directors at the initial meeting of voting members pursuant to Section 3.2 hereof, by affirmative vote of the voting members having at least three-fourths (3/4) of the total votes, at any special meeting called for the purpose. A successor to fill the unexpired term of a board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

Section 4.12. General Powers and Duties of the Board. The powers and duties of the Board shall include but are not limited to the following:

- (a) The Board may provide for the operation, maintenance, repair, replacement and improvement of the Property, as and to the extent not otherwise provided herein.
- (b) The Board shall prepare, adopt and distribute the annual budget for the Association and provide the manner of assessing and collecting from the Owners their respective shares of the estimated expenses.
- (c) The Board shall have the power to engage contract services to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and to delegate any such powers.
- (d) The Board shall have the power to own, convey, encumber, lease or otherwise deal with Property conveyed to or acquired by the Corporation.
- (e) The Board by vote of at least three-fourths (3/4) of the entire Board, and without approval from any of the voting members except as hereinafter set forth, may adopt and amend such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and health, comfort, safety and general welfare of the Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all voting members; and if within thirty (30) days from the date of such notice: (i) voting member holding at least one-fourth (1/4) of the total number of Lots shall file with the Board a written objection to any rule or regulation which affects any portion of the Property, the (ii) if such written objection shall have been received from the voting members as provided in (i) above, such rule and regulation shall be deemed rescinded until approved by a majority of the voting Lots.
- (f) All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and counter-signed by the President of the Board.
- (g) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of Owners or any of them.

(h) The Board for the benefit of all the Owners shall acquire and shall pay out of the maintenance fund hereinafter provided for, the following:

(i) Landscaping, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of any Subdivision signs, walls, entrance decorations or common area beautification, as the Board shall determine are necessary and proper, including without limitation, entrance area maintenance, pond maintenance, walking trails, mounds, and other common areas from time to time.

(ii) Any other materials, supplies, equipment, labor, services, maintenance, repairs or beautification which the Board in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first-class Property or for the enforcement of these restrictions.

(iii) Maintenance and repair of any Dwelling if such maintenance or repair is necessary, lawncare, and refuse collection, in the discretion of the Board, to protect the aesthetic appeal of the Property, and provide for uniform refuse collection on the same day, and uniform yard maintenance to achieve a neat, trimmed and healthy appearance, of the Property or any other portion thereof, and if an Owner has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Board to said Owner, provided that the Board shall levy a special assessment against such Owner for the cost of said maintenance or repair or lawncare, and against all Owners for uniform refuse collection and against all Owners for uniform lawncare, as the Board shall decide.

(i) The Board shall fill any vacancies on the Committee, pursuant to the Declaration.

Section 4.13. Insurance. The Board shall have the authority to purchase insurance in such coverage, with such limits of liability, and with such deductibles as it deems appropriate.

Section 4.14. Liability of the Board Directors. Neither the members of the Board nor the officers of the Corporation shall be liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Board members and officers except for any acts or omissions found by a court to constitute gross negligence or fraud.

ARTICLE V

Common Expenses - Maintenance Fund

Section 5.1. Preparation of Estimated Budget. Each year or before November 1st, the Board shall estimate the total amount necessary to pay the cost of rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before November 15th notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof and containing each Owner's respective assessment; provided, however, that such annual budget shall be furnished to each Owner at least thirty (30) days prior to its adoption by the Board. The initial estimate of the monthly maintenance fund requirement is fifteen dollars (\$15.00) per month per Lot. Said "estimated cash requirement" shall be assessed to each Lot and the Owners thereof. On or before January 1st of the ensuing year, and the first of each quarter thereafter in said year, each Owner, jointly and severally, shall be personally liable for and obligated to pay to the Board or pursuant to this paragraph. On or before April 1st of each calendar year following the initial meeting of voting members as provided for in Section 3.2 hereof, the Board shall supply to all Owners an itemized accounting of the expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any net shortage or excess shall be applied as an adjustment to the installments due under the current year's estimate in the succeeding six (6) months after rendering of the accounting, subject, however, to the provisions of Section 5.2 hereof.

Section 5.2. Reserve for Contingencies and Replacement-Supplemental Budget. The Board shall build up and maintain a reasonable reserve for contingencies and replacements, which reserve shall be segregated and allocated for specific purposes. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such portion of the contingency and replacement reserve which remains unallocated. If the "estimated cash requirement" proves inadequate for any reason, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or non-recurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Owner, and thereupon a separate assessment shall be made to each Owner for his proportionate share of such supplemental budget. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. Any such separate assessment, if it involves proposed expenditures resulting in a total payment assessed greater than the greater of (i) five times the most recent monthly assessment or (ii) Two Hundred Fifty Dollars (\$250.00), shall be subject to the affirmative vote of at least three-fourths (3/4) of the Lots at a meeting specifically called for approving such separate assessments.

Section 5.3. Regular Assessment Prior to Applicable Date. During the period that the Declarant is constructing the Property, it is difficult to accurately allocate expenses. Accordingly, and notwithstanding any other provision contained in these By-Laws, until Declarant has complete construction of the Property, ("Applicable Date"), the annual budget may in its sole discretion be established by the Initial Board without meetings of or concurrence of the Owners.

Section 5.4. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary

reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period.

Section 5.5. Books and Records. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures.

ARTICLE VI **Officers**

Section 6.1. Officers and Qualifications Therefore. The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer. The officers shall be chosen from among the directors. Any two (2) or more offices may be held by the same person except that the duties of President and Secretary shall not be performed by the same person.

Section 6.2. Terms of Office. Each of the officers of the Corporation shall be elected by a majority vote of the Board of Directors at its annual meeting and shall hold office for a term of one (1) year and until his successor shall be duly elected and qualified, or until resignation, removal or death.

Section 6.3. Vacancies. Whenever any vacancies shall occur in any of the offices of the Corporation for any reason, the same may be filled by the Board of Directors at any meeting thereof, and any officer so elected shall hold office until the expiration of the term of the officer causing the vacancy and until his successor shall be duly elected and qualified.

Section 6.4. Removal. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors whenever a majority of Board shall vote in favor of such removal.

ARTICLE VII **Powers and Duties of Officers**

Section 7.1. President. The President, if present, shall preside at all meetings of the members and the Board of Directors. Subject to the general control of the Board of Directors, the President shall perform all of the usual duties of the chief executive officer of a corporation.

Section 7.2. Vice President. Subject to the general control of the Board of Directors, the Vice President shall discharge all the usual functions of the President if the President is not present and shall have such other powers and duties as these By-Laws or the Board of Directors may prescribe.

Section 7.3. Secretary. The Secretary shall attend all meetings of the members and of the Board of Directors, and keep, or cause to be kept, a true and complete record of the proceedings of such meetings, and he shall perform a like duty, when required, for all committees appointed by the President of the Board of Directors. If required, he shall attest the execution by the Corporation of deeds, leases, agreements and other official documents. He shall attend to the giving and serving of all notices of the Corporation, and in general shall

perform all duties pertaining to the office of Secretary and such other duties as these By-Laws or the Board of Directors may prescribe.

Section 7.4. Treasurer. The Treasurer shall keep or cause to be kept correct and complete records of account, showing accurately at all times the financial condition of the Corporation, and in general shall perform all duties pertaining to the office of Treasurer.

Section 7.5. Assistant Officers. The Board of Directors may from time to time designate and elect assistant officers who shall have such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as these By-Laws or the board of Directors may prescribe. An Assistant Secretary may, in the absence or disability of the Secretary, attest the execution of all documents by the Corporation.

Section 7.6. Execution of Contracts and Other Documents. Unless otherwise ordered by the Board of Directors, all written contract and other documents entered into by the Corporation shall be executed on behalf of the Corporation by the President and, if required, attest by the Secretary.

Section 7.7. Fiscal Year. The fiscal year of the Corporation shall begin on January 1 of each year and end on the immediately following December 31.

ARTICLE VIII **Amendments**

Section 8.1. Amendments. The power to make, alter, amend or repeal all or any part of these By-Laws is vested in the Board of Directors and Lot Owners. The affirmative vote of a majority of the entire Board of Directors or Lot Owners as the case may be, shall be necessary to effect any such changes in these By-Laws.

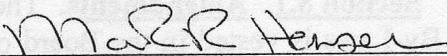
ARTICLE IX **Dispute Resolution Procedures**

Section 9.1. Arbitration. In the event any Owner determines that the appearance, maintenance, aesthetic appeal, or other matter in connection with the Property or any part thereof is unacceptable, then such dispute, controversy or claim shall, upon the request of such Owner, be submitted to and settled by the Board. Each Owner affected by such dispute, controversy or claim shall appear before the Board to be heard, and the determination of the board shall be final and conclusive upon each Owner. The submission to the Board, and the dispute resolution procedure, shall take place within a thirty (30) day time period. It is the intent of this Article IX to resolve disputes among Owners regarding maintenance of each Dwelling and Lot in the Property. The notice of any such meeting of the Board shall be given as provided for a special meeting thereof, to each affected Owner. If an affected Owner fails to appear or otherwise respond to the Board, the Board's determination shall nevertheless be final and conclusive upon such Owner.

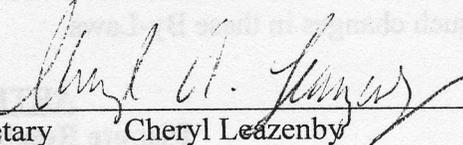
ARTICLE X

ARTICLE X
Collection of Fees, Dues and Assessments

Section 10.1. Collections. The right to enforce these By-Laws by injunction, is hereby vested in the Corporation. These By-Laws, and covenants and restrictions of the Declaration, may all be enforced by a civil action for damages and by any other appropriate remedy at law or in equity. If any person or persons shall violate or attempt to violate any of the terms hereof, it shall be lawful for the Corporation to proceed wither in law or in equity, against such person or persons, violating or attempting to violate any such covenants, and to enjoin them from so doing, to recover damages for such violation and to seek all other appropriate relief, including any action to collect fees, dues and assessments not paid when due. In the event the Corporation should employ counsel to enforce any of the foregoing, all costs incurred in such enforcement, including reasonable attorneys' fees, shall be paid by the member against whom such enforcement action is brought, and the Association, shall have a lien upon such Lot or Dwelling to secure such member's payment of all such costs. Upon nonpayment of any amounts due the Association hereunder for a period of thirty (30) days after when due, then the Association also shall be entitled to file a Notice of Intention to Hold a Lien against that member's Lot or Dwelling, which lien may be enforced in the same manner as is provided in the mechanic's lien statutes of the State of Indiana, without relief from valuation and appraisal laws. Unless otherwise required by the Board, all dues will be paid semi-annually or annually in the discretion of the Board.



President Mark R. Hansen



Secretary Cheryl Leazenby