

**CODE OF BY-LAWS
OF
THE LEGACY AMENITY ASSOCIATION, INC.**

**ARTICLE I
Definitions**

Unless otherwise specifically defined in this Code of By-Laws of The Legacy Amenity Association, Inc. (the "Amenity By-Laws"), the definitions and terms as defined and used in the Amenity Overlay Declaration of Covenants and Restrictions of The Legacy recorded with the Recorder of Hamilton County, Indiana, as amended from time to time (the "Amenity Declaration") shall have the same meaning in these Amenity By-Laws and reference is specifically made to Section 1 of said Amenity Declaration, which pertains to definitions

**ARTICLE 2
Board of Amenity Directors**

Section 2.01. Functions. The business, property and affairs of the Amenity Association shall be managed and controlled by a Amenity Board as from time to time constituted (herein collectively called "Amenity Board" or "Amenity Directors" and individually called "Amenity Director").

Section 2.02. Eligibility. Any member of the Amenity Board designated by Declarant is not required to be an Owner.

Section 2.03 Number. In no event shall the number of Amenity Directors prior to the Amenity Applicable Date be less than three (3) nor more than the number of Neighborhoods, and no reduction in the number of Amenity Directors shall have the effect of removing an Amenity Director from office prior to the expiration of his term.

Section 2.04. Appointment and Selection

(A) Prior to the Amenity Applicable Date, the number of Amenity Directors comprising the Amenity Board shall be three (3), which may from time to time be increased by resolution adopted by the Amenity Board. In the event the number of Amenity Directors is increased prior to the Amenity Applicable Date, the additional Amenity Director or Amenity Directors shall be appointed by Amenity Declarant as provided in these Bylaws and in Section 5.03 of the Articles. Prior to the Amenity Applicable Date, the Amenity Directors comprising the Amenity Board shall be selected and appointed by the Amenity Declarant and each Amenity Director shall be entitled to one (1) vote.

(B) Subsequent to the Amenity Applicable Date the Amenity Directors comprising the Amenity Board shall be selected and appointed as follows:

(1) Each Neighborhood Board shall appoint one (1) member of its board of directors (the "Selected Director") to be a member of the Amenity Board.

(2) Each Selected Director shall be a member of the Amenity Board and all of the Selected Directors, together, shall constitute the Amenity Board.

(3) Each member of the Amenity Board shall be entitled to one (1) vote.

Section 2.04. Term.

(A) An Amenity Director appointed by Amenity Declarant, including the initial Amenity Directors identified in Section 5.02 of the Articles, shall serve until the Amenity Applicable Date, or until his successor is appointed by the Amenity Declarant.

(B) Each Amenity Director, other than an Amenity Director appointed by Amenity Declarant, shall serve for a term of one (1) year or until his successor is appointed by his appointing Neighborhood Board or until he has resigned or been removed by his appointing Neighborhood Board. Incumbent Amenity Directors shall be eligible for re-election and the number of years a person may serve as a Amenity Director is not limited.

Section 2.05. Resignation. Any Amenity Director may resign at any time by giving written notice of such resignation to the President or the Secretary of the Amenity Association. Such resignation shall take effect when the notice is effective unless the notice specified a later effective date. The acceptance of a resignation shall not be necessary to make it effective.

Section 2.06. Removal.

(A) Prior to the Amenity Applicable Date, the Amenity Declarant may, from time to time and at any time, and with or without cause, remove and replace any Amenity Director.

(B) Subsequent to the Amenity Applicable Date, the Neighborhood Board may, from time to time and at any time, and with or without cause, remove and replace its Selected Director.

Section 2.07. Vacancies. Amenity Directors elected to fill a vacancy shall hold office until the expiration of the term of the Amenity Director causing the vacancy or until his successor has been elected and qualified.

(A) Any vacancy occurring on the Amenity Board prior to the Amenity Applicable Date, caused by death, resignation, removal or otherwise, shall be filled by the Amenity Declarant.

(B) Any vacancy occurring on the Amenity Board after the Amenity Applicable Date, caused by the death, resignation, removal or otherwise shall be filled by the Neighborhood Board that selected and appointed the vacated Amenity Director.

Section 2.08. Meetings. The Amenity Board shall meet each year either at the registered office of the Amenity Association in the State of Indiana, or at such other place within or without the State of Indiana as may be designated by the Amenity Board and specified in the respective notices or waivers of notice thereof. The annual meeting shall be for the purpose of organization, election of officers and consideration of any other business that may properly be brought before the meeting and shall be held within six (6) months after the close of the fiscal year of the Amenity as designated by the Amenity Board and specified in the respective notices or waivers of notice thereof. If such meeting is not held as above provided, the election of officers may be held at any subsequent meeting of the Amenity Board specifically called in the manner set forth herein. The Amenity Board may provide by resolution the time and place, either within or without the State of Indiana, for the holding of additional regular meetings of the Amenity Board without other notice than such resolution. Special meetings of the Amenity Board may be called by the President, and shall be called by order thereof upon the written request of at least two Amenity Directors, which request shall set forth the business to be conducted at such meeting.

Section 2.9. Notice of Meetings. Notice of meetings of the Amenity Board, except as herein otherwise provided, shall be given by mailing, telephoning, telegraphing or delivering personally the same at least two (2) days before the meeting to the usual business or residence address of the Amenity Director as shown upon the records of the Amenity. Notice of any meeting of the Amenity Board may be waived in a document filed with the Secretary by any Amenity Director if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting of the Amenity Board shall constitute a waiver of notice of that meeting, except where a Amenity Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any meeting of the Amenity Board may adjourn from time to time to reconvene at the same place or some other place. No notice need be given of any such adjourned meeting.

Section 2.10. Quorum. A quorum of the Amenity Board at any annual or special meeting of the Amenity Board shall be a Majority of the duly qualified members of the Amenity Board then occupying office, but in no event less than two (2) Amenity Directors. Any act including, without limitation, any election, resolution, removal of an officer, or amendment to these Amenity Bylaws or the Amenity Articles, which is by a Majority of the Amenity Directors present at a meeting, who constitute a quorum, shall be the act of the Amenity Board unless otherwise provided by the Act, the Amenity Declaration, these Amenity Articles, or the Amenity By-Laws. In the absence of a quorum, the Amenity Directors present may, by majority vote, adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting for which notice was originally given.

Section 2.11. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Amenity Board or any committee thereof may be taken without a meeting if the action is taken by all members of the Amenity Board or such committee. The action must be evidenced by at least one (1) written consent describing the action taken signed by each member of the Amenity Board or of such committee, and included in the minutes or filed with the Amenity records reflecting the action taken.

Section 2.12. Meeting by Telephone or otherwise. Any or all of the members of the Amenity Board or of any committee designated by the Amenity Board may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

Section 2.13. Committees. The Amenity Board, by resolution adopted by the Amenity Board, may designate one or more committees, each of which shall consist of two (2) or more Amenity Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Amenity Board in the management of the Amenity Association. Other committees not having and exercising the authority of the Amenity Board in the management of the Amenity Association may be designated by a resolution adopted by the Board of Amenity Directors. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Amenity Board, or any individual Amenity Director, of any responsibility imposed upon it or him by law.

Section 2.14. Powers. All of the Amenity Association powers, except as otherwise provided herein, or by law, shall be vested in and shall be exercised by the Amenity Board. Said powers shall include, but not be limited to:

(A) The power to adopt, publish, and enforce reasonable, uniform rules and regulations governing the use of the Amenity Area and the Amenities;

(B) The power to lease or purchase for the benefit of the Owners such property, equipment, materials, labor and services as may be necessary in the judgment of the Board;

(C) The power to exercise the powers and perform the duties of the Amenity Association granted, imposed, authorized or permitted by the Amenity Declaration;

(D) The power to make and collect Assessments to be levied by the Amenity Association under the Amenity Declaration and establish and collect membership dues, and levy and collect fines for the violation of rules and regulations governing the use of the Amenity Area and the Amenities;

(E) The power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Amenity Board may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Amenity Area, the Amenities and the

business and affairs of the Amenity.

Section 2.15. Duties. It shall be the duty of the Amenity Board to:

(A) cause the Amenity Area and the Amenities to be maintained in the manner set forth in the Amenity Declaration;

(B) as it deems necessary, adopt and publish uniform rules and regulations, including fees, if any, governing the use of the Amenity Area and Amenities, and the personal conduct of the Owners, their tenants and guests;

(C) cause to be kept a complete record of all its affairs, making such records available for inspection by any Owner or his authorized agent;

(D) supervise all officers, agents and employees of the Amenity and see that their duties are properly performed;

(E) issue upon demand by any Owner a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made;

(F) designate depositories for the funds of the Amenity Association, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Amenity, and cause such persons to be bonded, as it may deem appropriate;

(G) approve the Amenity's Association Annual Budget;

(H) fix Assessments at amounts sufficient to meet the obligations imposed upon the Amenity Association by the Amenity Declaration;

(I) annually set the date(s) Annual Amenity Assessments are due and decide what, if any, interest rate is to be applied to Annual Amenity Assessments which remain unpaid thirty (30) days after they become due;

(J) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment or first installment thereof;

(K) collect Assessments and cause the lien against any property for which Assessments are not paid within thirty (30) days after the due date to be foreclosed or cause an action at law to be brought against the Owner personally obligated to pay the same;

(L) procure and maintain adequate insurance to protect the Amenity Area and the Amenities, its employees and its personal and real properties;

(M) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Amenity Declaration;

(N) faithfully observe and perform each duty imposed on the Amenity Association by the terms of the Amenity Declaration; and

(O) exercise their powers and duties in good faith, with a view to the interests of the Amenity Association.

Section 2.16. Non-Liability of Amenity Directors. No Amenity Director shall be liable to any Person for any error or mistake of judgment exercised in carrying out his duties and responsibilities as an Amenity Director, unless (a) the Amenity Director has breached or failed to perform the duties of his office in compliance with the Act and (b) the breach or failure to perform constitutes willful misconduct or recklessness. The Amenity Association shall indemnify and hold harmless each of the Amenity Directors against any and all liability to any Person arising out of contracts made by the Amenity Board on behalf of the Amenity Association, unless any such contract shall have been made in bad faith or is contrary to the provisions of the Act, the Amenity Articles or these Amenity By-Laws. It is intended that the Amenity Directors shall have no personal liability with respect to any contract made by them on behalf of the Amenity Association as its agent.

Section 2.17. Indemnity of Officers and Amenity Directors. To the extent not inconsistent with the laws of the State of Indiana, every Person (and the heirs, assigns and legal representatives of such Person) who is or was an Amenity Director or an officer of the Amenity Association shall be indemnified by the Amenity Association as provided in the Act. To the extent the assets of the Amenity Association are insufficient to satisfy its indemnification obligations hereunder, the Amenity Board may levy a Special Assessment in the manner specified in the Amenity Declaration to obtain such funds as may be required to satisfy such obligation.

Section 2.18. Transactions Involving Affiliates. No contract or other transaction between the Amenity Association and one or more of its Amenity Directors, or between the Amenity Association and any Person (including the Amenity Declarant) in which one or more of the Amenity Directors are Amenity Directors, officers, partners, or employees or are financially or otherwise interested, shall be void or voidable because such Amenity Director or Amenity Directors are present at the meeting of the Amenity Board or any committee thereof which authorizes, approves or ratifies the contract or transaction, or because his or their votes are counted for such purpose if:

(A) the fact of the relationship or interest is disclosed or known to the Amenity Board or committee, and the Amenity Board or committee authorizes, approves, or ratifies such contract or transaction by a vote or consent sufficient for the purpose without counting the vote or consents

(B) the fact of the relationship or interest is disclosed or known to the Owners,

and they authorize, approve or ratify the contract or transaction by a vote or written consent; or

(C) the contract or transaction is fair and reasonable to the Amenity Association. Affiliated or interested Amenity Directors may be counted in determining the presence of a quorum of any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction.

Section 2.19. Insurance. The Amenity Board, or its duly authorized agent, shall have the authority to and shall (i) obtain insurance for all of the Amenities located in the Amenity Area, whether owned or leased by the Amenity Association, against loss or damage by fire or other hazards commonly insured against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, (ii) a broad form public liability policy covering all damage or injury caused by the negligence of the Amenity Association or any of its agents, and (iii) errors and omissions insurance insuring the members of the Amenity Board and the officers of the Amenity Association. All such insurance policies shall contain a provision that all Owners shall, in appropriate circumstances, be able to recover damages as claimants under such insurance. Premiums for all such insurance shall be included in the Annual Amenity Assessment.

Section 2.20. Insured Loss, Damage or Destruction. In the event of loss, damage or destruction by fire or other peril, the Amenity Board shall (unless otherwise agreed by two-thirds (2/3) of the Amenity Directors then serving), upon receipt of the insurance proceeds, contract to rebuild or repair damaged or destroyed portions of the insured property to its condition before such damage. All such insurance proceeds (if the amount of such proceeds exceeds \$5,000.00) shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signatures of at least one-third (1/3) of the members of the Amenity Board, or by their duly authorized agent. In such event, the Amenity Board shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed structure or structures. In the event that the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as previously existed, the Amenity Board may levy a Special Assessment in the manner specified in the Amenity Declaration to make up any deficiency. Excess insurance proceeds, if any, shall become a part of the Amenity Association's reserve for replacements.

Section 2.21. Uninsured Loss, Damage or Destruction. In the event of loss, damage or destruction to the Amenity Area or Amenities caused by perils not covered by standard insurance described in Section 2.04(D) of the Articles, the Amenity Board may levy a Special Assessment in the manner specified in the Amenity Declaration to make up any deficiency created by such uninsured loss.

Section 2.22. Compensation. No Amenity Director shall receive any compensation for

any service he may render to the Amenity Association. He may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE 3

The Officers of the Amenity Association

Section 3.01. Officers and Agents. The officers of the Amenity Association shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Amenity Board may, by resolution, designate from time to time. Any two or more offices may be held by the same person. The Amenity Board may, by resolution, create, appoint and define the duties and fix the compensation, if any, of such officers and/or agents as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Amenity is formed; but such officers and agents, if compensated, shall be compensated only for actual services performed on behalf of the Amenity Association.

Section 3.02. Election, Term of Office and Qualifications. The officers shall be chosen annually by the members of the Amenity Board. Each officer shall hold office (unless he resigns, is removed or dies) until the next annual meeting of the Amenity Board or until his successor is chosen and qualified.

Section 3.03. Vacancies. In the event an office of the Amenity Association becomes vacant by death, resignation, retirement, disqualification or any other cause, the Amenity Board shall elect a person to fill such vacancy, and the person so elected shall hold office and serve (unless he resigns, is removed or dies) until the next annual meeting of the Amenity Board or until the election and qualification of his successor.

Section 3.04. President. The President, who shall be chosen from among the membership of the Amenity Board, shall preside at all meetings of the Amenity Board, if present; shall appoint the chairman and members of all standing and temporary committees, subject to the review of the Amenity Board; shall be the executive officer of the Amenity Association; shall have and exercise general charge and supervision of the affairs of the Amenity Association; and shall do and perform such other duties as these By-Laws provide or as may be assigned to him by the Amenity Board.

Section 3.05. Vice President. The Vice Presidents, in the order designated by the President or the Amenity Board, shall exercise and perform powers of, and perform all duties incumbent upon, the President during the absence or disability of the President and shall perform other duties as these By-Laws may require or as may be assigned to him by the President or the Amenity Board.

Section 3.06. Secretary. The Secretary shall have the custody and care of the Amenity Association records and the minute book of the Amenity Association. The Secretary shall attend all of the meetings of the Amenity Board, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees of the Amenity Board when required. The

Secretary shall attend to the giving and serving of all notices of the Amenity Association, shall file and take care of all papers and documents belonging to the Amenity Association, shall authenticate records of the Amenity Association, as necessary, and shall perform such other duties as may be required by these Amenity By-Laws or as may be prescribed by the Amenity Board or the President.

Section 3.07. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Amenity Association. The Secretary 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 Amenity Association. The Secretary shall immediately deposit all funds of the Amenity coming into his hands in some reliable bank or other depository to be designated by the Board of Amenity Directors, and shall keep such bank account in the name of the Amenity Association. The Secretary shall furnish at meetings of the Amenity Board, or whenever requested, a statement of the financial condition of the Amenity Association and shall perform such other duties as may be required by these By-Laws or as may be prescribed by the Amenity Board or the President.

Section 3.08. Assistant Officers. The Amenity Board may from time to time designate assistant officers who shall exercise and perform 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 may be prescribed by the Amenity By-Laws, the Amenity Board or the President.

Section 3.09. Removal. Any officer of the Amenity Association may be removed from office, with or without cause, by the Amenity Board at any regular or special meeting of the Amenity Board called for the purpose. Any officer whose removal is proposed shall be entitled to at least ten (10) days' notice in writing by mail of the meeting of the Amenity Board at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Amenity Board at such meeting.

Section 3.10. Resignation. Any officer or member of a committee may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, and, if no time be specified, at the time of its receipt by the President or Secretary of the Amenity Association. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE 4

Loans to Officers and Amenity Directors

Section 4.01. Loans to Officers and Amenity Directors. The Amenity Association shall not lend money to or guarantee the obligations of any officer or Amenity Director of the Amenity Association.

ARTICLE 5

Amenity Books

Section 5.01. Amenity Association Books. The Amenity Association shall maintain all records required by the Act and shall permit Owners to inspect and copy (at such Owner's expense) such records, during normal business hours and subject to such reasonable conditions as the Amenity Board may specify.

ARTICLE 6

Financial Affairs

Section 6.01. Contracts. The Amenity Board 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 Amenity Association, and such authority may be general or confined to a specific instance; and unless so authorized by the Amenity Board, no officer, agent or employee shall have any power or authority to bind the Amenity Association by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount.

Section 6.02. Checks and other financial instruments All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money and other evidence of indebtedness shall, unless otherwise directed by the Amenity Board or required by law, be signed by any one of the following officers, who are different persons: President, a Vice President, Secretary or Treasurer. The Amenity Board may, however, designate officers or employees of the Amenity Association, other than those named above, who may, in the name of the Amenity, execute drafts, checks and orders for the payment of money on its behalf.

Section 6.03. Investments. The Amenity Association shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Amenity Board.

Section 6.04. Reserve for Replacements. From time to time, the Amenity Board, in its sole discretion, may establish and maintain a reserve fund for replacements by the allocation from the Annual Amenity Assessments and the payment to such reserve fund of an amount determined annually by the Amenity Board, in its sole discretion, to be sufficient to meet the cost of periodic significant capital repairs, renewal and replacement of the Amenity Area and Amenities. In determining the amount, the Amenity Board shall take into consideration the expected useful life of the Amenity Property, projected increases in the cost of materials and labor, interest to be earned by such fund and the advice of the Amenity Declarant, managing agent or any consultants the Amenity Board may employ. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

Section 6.05. Fiscal Year. The fiscal year of the Amenity Association shall commence on January 1 in each year.

Section 6.06. Assessment Year. The assessment year of the Amenity Association shall be the same as the fiscal year established in Section 6.05.

ARTICLE 7 **Amendments**

Section 7.01. Amendments. Subject to the provisions of Section 7.04 of the Amenity Articles, the power to make, alter, amend or repeal the Amenity By-Laws is vested in the Amenity Board. Any proposed amendment shall be included in the notice of such meeting. If notice of a proposed amendment to the Amenity By-Laws is included in the notice of any meeting of the Amenity Board, it shall be in order to consider and adopt at that meeting any amendment to the Amenity By-Laws dealing with the subject matter with which the proposed amendment is concerned.

ARTICLE 8 **Power of Amenity Declarant to Disapprove Actions**

Section 8.01. Prior to the Amenity Applicable Date, the Amenity Declarant shall have a right to disapprove any action, policy or program of the Amenity Association, the Amenity Board and any committee appointed by the Amenity Board which, in the sole judgment of the Amenity Declarant, would tend to impair rights of the Amenity Declarant or these Amenity By-Laws, or to interfere with development, construction, marketing or sale of any portion of the Property and any such action, policy, or program disapproved of by the Amenity Declarant shall be null and void.

(A) The Amenity Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Amenity Association, the Amenity Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Amenity Association, which notice must comply with these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting.

(B) The Amenity Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

(C) No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

(D) The Amenity Declarant, its representatives or agents shall make its

concerns, thoughts, and suggestions known to the Amenity Board and/or the members of the subject committee. The Amenity Declarant, acting through any officer, Amenity Director, agent or authorized representative, may exercise its right to disapprove at any time within 30 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, within 30 days following receipt of written notice of the proposed action. This right to disapprove shall not include a right to require any action or counteraction on behalf of the Amenity Association, the Amenity Board or any committee, except to the extent necessary to reverse the disapproved action.

ARTICLE 9

Conflicts

Section 9.01. In the event of a conflict between these Amenity By-Laws and the Amenity Declaration, the Amenity Declaration shall control.