

Bylaws

**APPENDIX I**

**RESTATEMENT OF THE CODE OF BY-LAWS OF  
COVINGTON HOMESTEADS CONDOMINIUMS  
HORIZONTAL PROPERTY REGIME**

This Restatement of the Code of By-Laws of Covington Homesteads Condominiums Horizontal Property Regime (the "Restated By-Laws") is executed under the following circumstances:

**WHEREAS**, the Code of By-Laws of Covington Homesteads Condominiums Horizontal Property Regime was attached as an appendix to the Restated Declaration of Horizontal Property Ownership Covington Homesteads Condominiums Horizontal Property Regime and filed in the Allen County Recorder's Office on August 29, 1984, in Book 7, pages 27 through 43, which Code of By-Laws has been amended one (1) time pursuant to an amendment recorded at Document Number 89-049477 in the Office of the Recorder of Allen County, Indiana, on December 13, 1989 (collectively, the "Original By-Laws");

**WHEREAS**, Article VII of the Original By-Laws provides that the Original By-Laws may be amended by the affirmative vote of not less than fifty-one percent (51%) of the Owners at a meeting of the Home Owners called for such purpose; and

**WHEREAS**, on September 9, 2009, such a meeting of the Home Owners was held in accordance with said Article VII and more than fifty-one percent (51%) of the Home Owners voted to amend and restate, in its entirety, the Original By-Laws and voted that these Restated By-Laws and any exhibits attached hereto, and all future amendments thereto, shall supersede the Original By-Laws and shall govern the conduct and affairs of the Association and the management and operation of the Property without reference to the Original By-Laws, and the undersigned affirm such meeting was properly held and the necessary vote for approval by fifty-one percent (51%) was obtained.

**NOW, THEREFORE**, in consideration of the above and foregoing, the Original By-Laws are hereby amended and restated, in their entirety, as follows:

**ARTICLE I**  
**Identification and Applicability**

**Section 1.01. Identification and Adoption.** These Restated By-Laws are adopted simultaneously with the execution of that certain Restatement of Declaration of Horizontal Property Ownership of Covington Homesteads Condominiums Horizontal Property Regime to which these Restated By-Laws are attached and made a part thereof. The Restated Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these Restated By-Laws. The definitions and terms as defined and used in the Restated Declaration shall have the same

meaning in these Restated By-Laws. The provisions of these Restated By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association.

Section 1.02. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Home or any part of the Property, shall be subject to the rules, restrictions, terms and conditions set forth in the Restated Declaration, these Restated By-Laws and the Act.

## **ARTICLE II** **Meeting of Association**

Section 2.01. Purpose of Meetings. At least annually and at such other times as may be necessary, the meetings of the Co-Owners shall be held for the purpose of electing the Board of Directors (subject to the provisions of Section 3.02), approving the annual budget, providing for the collection of Common Expenses and for such other purposes as may be required by the Restated Declaration, these Restated By-Laws, or the Act.

Section 2.02. Annual Meetings. The annual meeting of the members of the Association shall be held in the month of September of each calendar year or as reasonably close thereto as can be accommodated in the discretion of the Board of Directors. At the annual meetings, the Owners shall elect the Board of Directors of the Association in accordance with the provisions of these Restated By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the members of the Association may be called by resolution of the Board of Directors or upon a written petition of a majority of the Owners. The resolution or petition shall be presented to the President or Secretary of the Association, and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meetings. Written notice stating the date, time and place of any meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Owner not less than fourteen (14) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Association. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

### Section 2.05. Voting.

- (a) Number of Votes. Each Owner shall be entitled to cast one vote, by virtue of his being an Owner, equal to his Home's Percentage of Interest.
- (b) Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and

the agent or other representative of the corporation duly empowered by the Board of Directors of such corporation may cast the vote to which the corporation is entitled. The Secretary of the Corporation or a trustee of the trust so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary of the Association stating who is authorized to vote on behalf of said Corporation or trust.

- (c) Proxy. An Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate his attorney-in-fact in writing, delivered to the Secretary of the Association prior to the commencement of the meeting.
- (d) Quorum. Except where otherwise expressly provided in the Restated Declaration, these Restated By-Laws or the Indiana Horizontal Property Law, the Owners representing thirty-three percent (33%) of the vote shall constitute a quorum at all meetings. The term majority of Owners or majority of vote, as used in these Restated By-Laws, shall mean not less than fifty-one percent (51%) of the Owners at such meetings.
- (e) Conduct of Meeting. The Chairman of the meeting shall be the President of the Association. The President shall call the meeting to order at the duly designated time and business will be conducted in the following order:

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

(2) Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the prior year and the proposed budget for the ensuing year.

(3) Budget. The proposed budget for the ensuing fiscal year shall be presented to the Owners for approval or amendment.

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least ten (10) days prior to the date of the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. The foregoing is subject to the provisions of Section 3.02.

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

(6) Adjournment.

### **ARTICLE III** **Board of Directors**

Section 3.01. The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called "Board" or "Directors", and individually called "Director"). The Board of Directors shall be composed of no less than five (5) and no more than seven (7) persons. No person shall be eligible to serve as a Director unless he is an Owner or the spouse of an Owner. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Home may be represented on the Board of Directors by more than one person at a time. An Owner's spouse may serve on the Board of Directors.

Section 3.02. Initial Board of Directors. At the annual meeting of the Association held on September 8, 2005, a majority of Owners shall elect an initial Board of Directors of seven (7) Directors pursuant to the provisions of Section 3.03 below.

Section 3.03. Term of Office and Vacancy. The term of each Director shall be three (3) years, and the term of the Directors shall expire annually provided, however, that the initial term of at least two (2) Directors of the initial Board established pursuant to Section 3.02 shall be two (2) years and the initial term of the remaining Directors of the initial Board shall be three (3) years. Successor Directors to fill the vacancies on the Board of Directors resulting there-from shall be elected at each applicable annual meeting of the Association by a vote of the majority of Owners. There shall be no limit on the number of successive terms on the Board any Director may serve. Any vacancy or vacancies, occurring in the Board, by reasons other than expiration of term or pursuant to Section 3.04, shall be filled by a vote of a majority of the remaining Directors, or by vote of the Owners if a Director is removed in accordance with Section 3.04 of this Article III.

Section 3.04. Removal of Director. A Director or Directors except the initial Board of Directors may be removed with or without cause by a vote of a majority of the Owners at a special meeting of the Owners duly called and constituted. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A director so elected shall serve until the next annual meeting of the Owners or until his successor is duly elected and qualified.

Section 3.05. Duties of the Board of Directors. The Board of Directors shall provide for the administration of COVINGTON HOMESTEADS CONDOMINIUMS HORIZONTAL PROPERTY REGIME, the maintenance, upkeep and replacement of the Common Areas and Limited Areas, and the collection and disbursement of the Common Expenses. These duties include, but are not limited to:

- (a) Protection, surveillance and replacement of the Common Areas and Limited Areas;
- (b) Procuring the utilities used in connection with COVINGTON HOMESTEADS CONDOMINIUMS removal of garbage and waste, and snow removal from the Common Areas;
- (c) Landscaping, painting, decorating and furnishing of the Common Areas and Limited Areas, the exterior of the Buildings and walls;
- (d) Surfacing, paving and maintaining streets and parking areas;
- (e) Assessment and collection from the Owners of the Owner's pro rata share of the Common Expenses;
- (f) Preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
- (g) Keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, which specifics and itemizes all Common Expenses. All financial records, vouchers and receipts shall be available for examination by an Owner at any time during normal business hours.

Section 3.06. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

- (a) To employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;
- (b) To purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
- (c) To obtain and keep in force property, casualty and liability insurance in such amounts and form for the Common Area and all improvements thereon;
- (d) To employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Directors may be necessary or desirable in connection

with the business and affairs of COVINGTON HOMESTEADS CONDOMINIUMS.

- (e) To include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;
- (f) To open and maintain a bank account or accounts in the name of the Association;
- (g) To adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to the use, occupancy, operation and enjoyment of the Property.

Section 3.07. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500.00 without obtaining the prior approval of a majority of Owners, except in the following cases:

- (a) Contracts for replacing or restoring portions of the Common Areas or Limited Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
- (b) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and,
- (c) Expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners.

Section 3.08. Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of the Owners.

- (a) Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors. The Secretary shall give notice of regular meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting, unless the Board approves, in advance, a schedule of its meetings for any calendar year or part thereof.
- (b) Special Meetings. Special meetings of the Board may be called by the President or any two members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary, who shall either personally or by mail and at least three (3) days prior to the date of such special meeting, give notice to the Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Allen County, Indiana, as shall be designated in the notice.

Section 3.09. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.10. Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.11. Non-Liability of Directors. The Directors shall not be liable to the Owners or any third party for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith, or gross negligence. The Owners and Association shall indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of COVINGTON HOMESTEADS CONDOMINIUMS, unless any such contract shall have been made in bad faith or contrary to the provisions of the Restated Declaration or Restated By-Laws. Such indemnity shall include costs and reasonable attorney fees. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of COVINGTON HOMESTEADS CONDOMINIUMS or the Association, and that in all matters the Board is acting for and on behalf of the Association and the Owners and as their agent. The liability of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation hereunder as is equal to his Percentage Interest. Every contract made by the Board or on behalf of COVINGTON HOMESTEADS CONDOMINIUMS shall provide that the Board of Directors and the Managing Agent, as the case may be, is acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners and then only to the extent of their Percentage Interest. For purposes of this Section 3.11, the indemnity of each Director shall be deemed to include all officers and committee members of the Board of Directors, together with any employee or agent of the Association hired by the Board of Directors pursuant to these By-Laws. Further, and in addition to, and independent of, the indemnity provided by this Section 3.11, the Association, through its Board of Directors, may purchase and maintain insurance on behalf of an individual who is or was a Director, officer, Board committee member, employee or agent of the Association to insure against liability asserted against or incurred by said individual serving in such capacity or arising from the individual's status as a Director, officer, Board committee member, employee or agent of the Association.

Section 3.12. Telephonic Meetings. Any Director may participate in a regular or special meeting of the Board by 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 is deemed to be present in person at the meeting.

**ARTICLE IV**  
**Officers**

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. The officers of the Association shall be elected annually by the Board at the initial meeting of each new Board. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors, shall be the chief executive officer of the Association and shall be a resident Owner, or resident spouse of an Owner. He shall preside at all meetings of the Association and of the Board, and shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or stock corporation organized under the laws of Indiana, including, but not limited to, the power to appoint committees from among the Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

Section 4.04. The Vice President. The Vice President shall be elected from among the Directors, and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these Restated By-Laws may prescribe or as shall, from time to time, be imposed upon him by the Board or by the President.

Section 4.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provisions of these Restated By-Laws.

Section 4.06. The Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association, and such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board, and shall keep such bank account in the name of the Association. The

Treasurer shall not make any payments except on the basis of a voucher which shall be signed by him and one other officer.

Section 4.07. Assistant Officers. The Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them, and such other powers and duties as these Restated By-Laws or the Board of Directors may prescribe.

## **ARTICLE V** **Amendment to Restated By-Laws**

Section 5.01. These Restated By-Laws may be amended by a vote of not less than fifty-one percent (51%) of the Owners in a duly constituted meeting called for such purpose.

## **ARTICLE VI** **Mortgages**

Section. 6.01. Notice to Association. Any Owner who places a mortgage lien upon his Home or the Mortgagee shall notify the Secretary of the Association and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary, and any notice required to be given to the Mortgagee pursuant to the terms of the Restated Declaration or these Restated By-Laws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Restated Declaration or these Restated By-Laws shall be required, and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of the Restated Declaration or Restated By-Laws or proxy granted to such Mortgagee in connection with the mortgage.

Section 6.02. Notice of Unpaid Assessments. The Association shall, upon request of a Mortgagee, a proposed mortgagee or purchaser who has a contractual right to purchase a Home, furnish such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular or Special Assessments against the Home, which statement shall be binding upon the Association and the Owners, and any Mortgagee or grantee of the Home shall not be liable for nor shall the Home conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement.

**ARTICLE VII**  
**Fiscal Year**

The fiscal year of the Association shall be a calendar fiscal year unless otherwise established or modified by the Board of Directors.

**ARTICLE VIII**  
**Replacement of Original By-Laws**

Upon the execution and recording of these Restated By-Laws, the Restated By-Laws, and all future amendments thereto, shall replace and supercede all terms, provisions, covenants, and conditions of the Original By-Laws, it being the intention and agreement of all the Owners that the Restated By-Laws, and all future amendments thereto, be the governing document(s) of the Covington Homesteads Condominiums, without reference or regard to any other consistent or inconsistent term, provision, covenant, or condition of the Original By-Laws.

**CERTIFICATE**

I hereby certify that the foregoing is a true, complete and correct copy of the Restated By-Laws of COVINGTON HOMESTEADS CONDOMINIUMS HORIZONTAL PROPERTY REGIME, as amended by a vote of no less than fifty-one percent (51%) of the Owners at a duly constituted meeting called for such purpose on the 9<sup>th</sup> day of September, 2009.

IN WITNESS WHEREOF, I hereunto set my hand and seal this 27<sup>th</sup> day of January, 2010

Suzanne H. Nelson  
Secretary