

**CODE OF BYLAWS OF
LAFAYETTE FALLS GENERAL RESIDENT HOME OWNERS ASSOCIATION
CORPORATION (LFGRHOA)**

ARTICLE I - IDENTIFICATION AND APPLICABILITY

Section 1. Identification and Adoption. These Bylaws are adopted by the Lafayette Falls General Resident Home Owners Association Corporation ("LFGRHOA"), with reference to the Lafayette Falls Protective Restrictions, Covenants, as amended, in the City of South Bend, Indiana, ("Covenants") incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these Bylaws. The definitions and terms as defined and used in the Covenants shall have the same meaning in these Bylaws and reference is specifically made to the appropriate Paragraph of the Covenants containing definitions of terms. The provisions of these Bylaws shall apply to the administration and conduct of the affairs of the LFGRHOA and shall include those home sites listed in the Covenants currently of record and as such may be amended from time to time.

Section 2. 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 Lot, Home Site or Living Unit shall be subject to the restrictions, terms and conditions set forth in the Covenants and these Bylaws and to any rules and regulations adopted by the Board of Directors as herein provided.

Section 3. Purpose. The purpose of the LFGRHOA is to manage and provide maintenance for the common areas of the development and other property maintenance issues as approved and adopted by the membership.

ARTICLE II - MEETINGS OF THE LFGRHOA

Section 1. Purpose of Meetings. At least annually, after January 1, 2014 ("Origination Date") and at such other times as may be necessary, the meetings of the LFGRHOA shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Dues, Assessments, Common Expenses and for such other purposes as may be required by the Covenants and these Bylaws.

Section 2. Annual Meetings. The first annual meeting of the LFGRHOA may be held anytime after the Origination Date provided, however, that in no event shall the first annual meeting be held later than five months after the Origination Date. The Initial Officers, as defined herein, shall call for the first annual meeting of the LFGRHOA and pursuant to such meeting, the LFGRHOA shall henceforth assume the duties and responsibilities ascribed to it by the Covenants and these Bylaws. The date the LFGRHOA assumes such duties shall be referred to as the "Applicable Date". Subsequent regular annual meetings of the LFGRHOA shall be held as the Board of Directors may decide at the first meeting of the Board following the first annual meeting of the LFGRHOA. If the day for the annual meeting of the LFGRHOA is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal

holiday. In the event the Board does not establish by resolution a fixed day thereafter for the annual meeting of the LFGRHOA, it shall be held on the first Thursday of December of each succeeding year,

Section 3. Special Meetings. A special meeting of the members of the LFGRHOA may be called by resolution of the Board of Directors or upon a written petition of Owners of not less than a majority of the Lots. The resolution or petition shall be presented to the President or Secretary of the LFGRHOA 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 4. Notice and Place of Meetings. All meetings of the LFGRHOA shall be held at any suitable place in St. Joseph County, Indiana, as may be designated by the Board of Directors. 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 to each member entitled to vote via Buildium, or in the event a lot owner is not registered on the Buildium system, via US Mail, email or personal delivery at the addresses of their respective Lot and to one other address that each owner may supply on a signed address card filed with the Secretary of the LFGRHOA not less than 10 days prior to the date of such meeting. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 5. Voting.

- (a) Number of Votes. Each Lot or Living Unit Owner shall be entitled to one vote.
- (b) Multiple Owner. Where the Owner of a Lot or Living Unit constitutes or consists of more than one person, or is a partnership, there shall be only one voting representative. At the time of acquisition of title to a Lot by a multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the LFGRHOA an irrevocable proxy appointing one of such persons or partners as the voting representative for such Lot, which shall remain in effect until all of such parties constituting such multiple Owners or the partners in such partnership designate another voting representative in writing, or such appointed representative relinquishes such appointment in writing, becomes incompetent, dies or such appointment is otherwise rescinded by order of a court of competent jurisdiction or the Owner no longer owns such Lot. Such appointed voting representative may grant a proxy to another to vote in his/her place at a particular meeting or meetings pursuant to paragraph (d) of this Section, which shall not constitute a permanent relinquishment of his/her right to act as voting representative of the Lot. Should a Lot owner fail to appoint an irrevocable proxy under the terms of this paragraph, that Lot shall have no voting rights.
- (c) Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trust 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 LFGRHOA stating who is authorized to vote on behalf of said corporation or trust.
- (d) Proxy. An Owner may vote either in person, via electronic ballot/proxy on Buildium:proxy or by his/her duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate his/her attorney-in-fact in writing, delivered to the Secretary of the LFGRHOA or on Buildium:proxy prior to the commencement of the meeting.
- (e) Quorum. Except where otherwise expressly provided in the Covenants, these Bylaws or the Act, the Owners representing a majority of the Lots shall constitute a quorum at all meetings, provided, however, any owner whose voting rights are suspended under Article III, Section 6(h) hereunder shall not be counted in determining either the number of owners or the number of lots for purposes of the quorum. A Developer or a builder who is an owner of a lot but has not paid dues to the LFGRHOA shall not be a member of the LFGRHOA, not be considered an Owner, nor that lot be counted for purposes of determining a quorum.
- (f) Conduct of Annual Meeting. The President of the Board of Directors shall act as Chairman of all annual meetings of the LFGRHOA if he/she is present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:
- i. Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority of the Owners.
 - ii. Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the LFGRHOA and answer relevant questions of the Owners concerning the Expenses and financial report for the prior year and the proposed budget for the current year.
 - iii. Budget. The proposed budget for the ensuing fiscal year shall be presented to the Owners for approval or amendment unless otherwise changed by the Board of Directors. The fiscal year shall be on a calendar year basis.
 - iv. Election of Board of Directors. Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Where a home site is owned by individuals, only deeded individuals may have the right to serve. Owners in arrears on their LFGRHOA dues are ineligible to serve. Such nominations must be in writing and presented to the Secretary of the LFGRHOA at least ten days prior to the date of the annual meeting. Voting for the Board of Directors will be by paper ballot or electronic Buildium 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/she is entitled for as many nominees as are to be elected, however, he/she shall not be entitled to cumulate his/her votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his/her ballot. The Board may provide a method to assure secrecy of the ballot which may be by electronic ballot/proxy on the web portal Buildium.
 - v. Other Business. Other business requiring a vote may be brought before the meeting only upon a written request submitted to the Secretary of the

LFGRHOA at least seven 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 Owners. Any other general business matters of discussion that do not require a vote may be properly brought before the meeting by an Owner in good standing.

vi. Adjournment.

- (g) Conduct of Special Meeting. The President of the Board of Directors shall act as Chairman of any special meetings of the LFGRHOA if he/she is present. The Chairman shall call the meeting to order at the duly designated time and the only business to be discussed and acted upon at such meeting shall be consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE III - BOARD OF DIRECTORS

Section 1. Management and Number. The affairs of the LFGRHOA 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 initially composed of a minimum of three persons. The total number of Directors shall not exceed five (5). No person shall be eligible to serve as a Director unless he/she is, or is deemed in accordance with the Covenants to be, an Owner.

LFGRHOA acknowledges the existence of the Lafayette Falls Villa Association, Inc. created as of December 1, 2009 ("LFVA") to manage and support financially the maintenance of the exterior of members' villas including the removal of snow from private driveways and private sidewalks, lawn maintenance and other property maintenance issues as approved and adopted by the membership. A representative of the FLVA shall be on the Board.

LFGRHOA also acknowledges that the Lafayette Falls development includes Townhomes/Boulevard Homes ("TBH") with their own maintenance and restrictions not governed a separate homeowner association entity at this time. Until such time as such an entity is formed, the LFGRHOA may establish a committee to oversee operations necessary to meet the needs of the TBH owners. A representative of the TBH shall be on the Board.

Members of the LFVA and owners of TBH shall also be members of the LFGRHOA and subject to these Bylaws.

Section 2. Additional Qualifications. Where an Owner consists of more than one person or is a partnership's personal representative of an estate, corporation trust or other legal entity, then one of the persons constituting the multiple Owner or a partner or an officer or trustee or personal representative of an estate shall be eligible to serve on the Board of Directors except that no single Lot may be represented on the Board of Directors by more than one person at a time.

Section 3. Term of Office and Vacancy. Subject to the provisions of this Article III, the Board of Directors shall be elected at each annual meeting of the LFGRHOA. Directors shall hold office

for a term of two years or until their successors have been duly elected and qualified. Every attempt should be made to replace only approximately one-half (1/2) of the Board in any year in order for the smooth transitioning of Board business. Any vacancy or vacancies occurring in the Board 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 5 of this Article III. A Director filling a vacancy shall serve until the next annual meeting of the LFGRHOA or until his/her successor has been duly elected and qualified.

Section 4. Removal of Directors. A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the Owners at a special meeting of the Owners duly called and constituted for such purpose. In such case, his/her 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/her successor is duly elected and qualified.

Section 5. Duties of the Board of Directors. The Board of Directors shall provide for the administration of the LFGRHOA, the maintenance and upkeep of common areas, and the collection and disbursement of the Assessments. After the recording of the amended Covenants, the Board may, on behalf of the LFGRHOA, employ a property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent, if employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

- (a) procuring of utilities used in connection with common area maintenance;
- (b) landscaping and maintenance of common areas as agreed upon by the Owners;
- (c) assessment and collection from the Owners of the Owners' Dues and/or Assessments;
- (d) 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, emailed or delivered;
- (e) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;
- (f) keeping a current, accurate and detailed record of receipts and expenditures affecting the LFGRHOA, specifying and itemizing the Expenses; all records and vouchers shall be available for examination by an Owner by appointment with the Treasurer; payment vouchers for all expenditures shall, prior to payment, be approved by a member of the Board or such other person (which may include the Managing Agent) to whom the Board may delegate such duty and authority;
- (g) procuring and maintaining for the benefit of the Owners, the LFGRHOA and the Board insurance coverage, which shall include bonding of officers having access to LFGRHOA funds as provided under Section 14 hereunder and such other insurance as the Board, in its sole discretion, may deem necessary or advisable;
- (h) interpreting, applying and enforcing all restrictive covenants, rules and regulations established by the Covenants, Bylaws, or Board with respect to the Owners or users within the Home Sites or relating to the use, maintenance or repair of any Home Site; and

- (i) enforcing the lien procedures against any property for which assessments are not paid within 60 days, or such other period of time as the Board shall from time to time determine, after due date or to bring an action at law against the Owner personally obligated to pay the same.

Section 6. Powers of the Board of Directors. The Board of Directors shall have such full powers as are provided in the Law and 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 to assist the Board in performing its duties;
- (b) to purchase for the benefit of the property and Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
- (c) 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 the LFGRHOA;
- (d) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the maintenance upkeep, and repair of the common areas;
- (e) to include the costs of all of the above and foregoing as Expenses and to pay all of such costs there from;
- (f) to open and maintain a bank account or accounts in the name of the LFGRHOA;
- (g) to adopt, revise, amend and alter from time to time, rules and regulations with respect to use, occupancy, operation and enjoyment of the property;
- (h) to suspend the voting rights and right to use of any common facilities of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the LFGRHOA for a period of not less than six months. Such rights may also be suspended after notice and hearing, for a period not to exceed 120 days for infraction of published rules and regulations. If the voting rights of an Owner are suspended, that Owner shall not be counted in determining the number of Owners for purposes of a quorum under Article II, Section (e);
- (i) to exercise for the LFGRHOA all powers, duties and authority vested in or delegated to this LFGRHOA and not reserved to the membership by other provisions of these Bylaws or the Covenants; and
- (j) to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors.

Section 7. Limitation on Board Action. After the Origination Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than One Thousand Dollars (\$1,000.00) without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:

- (a) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and
- (b) contracts for repair, replacement or maintenance improvements within the home sites or affecting any property constituting all or a portion of the project where delay in the said repair, replacement or maintenance would increase substantially the costs and

expense of the same and/or would subject the property or the project or the persons therein to substantial risk of injury or damage.

Section 8. Compensation. No Director shall receive any compensation for his/her services as such except to the extent as may be expressly authorized by a majority of the Owners. However, any Director may at any time be reimbursed for his/her actual expenses incurred in the performance of his/her duties, and such reimbursement shall not require express approval of all the Owners or any portion thereof but shall require majority approval of the Board.

Section 9. Meetings and Actions of the Board. After the Origination Date, 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 the Directors. If the meetings are to be held outside of St. Joseph County, Indiana, the date, place and time of the meeting must receive unanimous approval of all Directors. There shall be at least two regular meetings of the Directors annually. The Secretary shall give written notice of regular meetings of the Board to each Director personally or by United States mail at least ten days prior to the date of such meeting. 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 five 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. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 10. 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 or his/her subsequent written consent to the actions taken, 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 11. 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 12. Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons 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 LFGRHOA and the owners shall indemnify and hold harmless and defend 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 the LFGRHOA unless any such contract shall have been made in bad faith or contrary to the provisions of the Covenants or Bylaws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the LFGRHOA and that in all matters the Board is acting for and on behalf of the

LFGRHOA as its agent. No Owner shall have liability for any contract made by the Board. Every contract made by the Board or the Managing Agent on behalf of the LFGRHOA shall provide that the Board of Directors and the Managing Agent, as the case may be, are acting as agent for the LFGRHOA and shall have no personal liability hereunder.

Section 13. Additional Indemnity of Directors. The LFGRHOA shall indemnify, hold harmless and defend any person, his/her heirs, assigns and legal representatives, made a party to any action, suit or proceedings by reason of the fact that he/she is or was a Director of the LFGRHOA, against the reasonable expenses, including attorney's fees actually and necessarily incurred by him/her in connection with the defense of such action suit or proceeding, or in connection with an appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his/her duties. The LFGRHOA shall also reimburse to any such Director the reasonable costs of settlement or judgment rendered in any action, suit or proceedings, if it shall be found by a majority of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his/her duties where, acting in good faith, such Director relied on the books and records of the LFGRHOA or statements or advice made by or prepared by the Managing Agent of the LFGRHOA or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the LFGRHOA to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he/she failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 14. Bond. The Board of Directors shall require the Managing Agent, Treasurer and such other officers or employees of the LFGRHOA as the Board deems necessary to provide surety bonds, indemnifying the LFGRHOA against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a LFGRHOA expense.

ARTICLE IV - OFFICERS

Section 1. Officers of the LFGRHOA. The principal officers of the Board and LFGRHOA shall be President, Vice President, Secretary and Treasurer and such other officers as the Board may from time to time by resolution create, all of whom shall be elected by the Board. The Board may appoint an Assistant Secretary and an Assistant Treasurer 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 shall be exclusive, and the President shall not hold any other office. The initial officers will decide their position amongst themselves and will serve until the first annual meeting of the Board of Directors as hereinafter provided. Whenever possible, the President in any year should have at least one year of previous experience on the Board of

Directors.

Section 2. Election of Officers and Removal of Officers. The Officers of the Board and LFGRHOA shall be elected annually by the Board at the initial meeting of each new Board. The initial meeting of the Board shall be held immediately after the adjournment of the annual LFGRHOA meeting. 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 3. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Board and LFGRHOA. He/she shall preside at all meetings of the LFGRHOA and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an LFGRHOA or a 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 LFGRHOA and to perform such other duties as the Board may from time to time prescribe.

Section 4. 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 Bylaws may prescribe or as shall, from time to time be imposed upon him by the Board or by the President.

Section 5. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the LFGRHOA 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 the 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 LFGRHOA or the Board are duly given, mailed or delivered, in accordance with the provisions of these Bylaws.

Section 6. 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 LFGRHOA and who shall perform such other duties incident to the office of Treasurer. He/she shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the LFGRHOA. He/she shall immediately deposit all funds of the LFGRHOA coming into his/her hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account or accounts in the name of the LFGRHOA. The Treasurer may permit and delegate to the Managing Agent the authority and responsibility to handle an account for monies and other assets of the LFGRHOA to the extent approved by resolution of the Board.

Section 7. Assistant Officers and Committees. The Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and 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 Bylaws or the Board of Directors may prescribe.

Section 8. Special Appointments. The Board may elect such officers as the affairs of the LFGRHOA may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9. Committees. The Board may appoint committees to assist in the administration and affairs of the LFGRHOA and Board. An appointed committee will hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

ARTICLE V - ASSESSMENTS

Section 1. Assessments. Assessments (or Dues) shall be made and collected in accordance with the following provisions:

- (a) The LFGRHOA may levy and collect Dues for the maintenance of the entryway or other common areas and other expenses properly incurred by the LFGRHOA.
- (b) Failure to pay the annual Assessments or Dues shall be a violation of these Bylaws. Annually the LFGRHOA shall bill the owner of each home site for Assessments or Dues. These are due and shall be paid within ten (10) days. An assessment or dues paid later than the 15 days after the due date shall be subject to a Fifty Dollar (\$50) penalty fee and may further bear interest as further defined within this paragraph and at the discretion of the Board. All lots shall be subject to the annual dues and assessments. Until they are paid, these dues and assessments shall be a lien in favor of the LFGRHOA upon the lot against which it is charged. Any person buying or dealing with a lot may rely upon a certificate signed by the President, Treasurer, or Secretary of the LFGRHOA showing the amount of dues and assessments unpaid as of the date of the certificate. The lien of the LFGRHOA is subordinate to any first mortgage lien. Any delinquent dues, assessments or other charges assessed by the LFGRHOA and at the discretion of the Board shall bear interest at the rate of eight percent (8%) per annum beginning 16 days after they become due and shall be due and payable without relief from valuation and appraisal laws. If an attorney is hired to collect any past due charge assessable hereunder, the lot owner shall also be liable for all costs of collections, including but not limited to attorney's fees.
- (c) Calculation of Assessment and/or Dues. The total of the dues and assessments per year per lot owned shall be Two Hundred Twenty Five Dollars (\$225.00) as of January 1, 2014. After the calendar year 2014, the annual dues assessment may thereafter be increased annually by the greater of (i) three percent (3%) or (ii) the percentage that the CPI has increased upon the comparison of the Index for January of the year in which the increase in the Maximum Annual Assessment is to be made and the Index for January of the immediately preceding year. As used herein, CPI means the Consumer Price Index for All Urban Consumers (All Items) published by the Bureau of Labor Statistics of the United States Department of Labor. In the event the Bureau discontinues publishing the CPI, a comparable index will instead be used as a basis for making any adjustment under this paragraph. Alternately, the annual assessment may be adjusted by the approval of the membership in consideration of the costs expected to be incurred for the development for the maintenance and expenses as approved by a vote of the membership.
- (d) In the first month of membership for each lot, the owner shall be assessed a one-time, non-refundable Membership Initiation Fee of Seventy Five Dollars (\$75.00) in addition

to the regular annual dues. This will apply to all members including the subsequent owners of any lot.

- (e) The Board may provide the owners with a payment method whereby the owners can authorize the LFGRHOA to execute an Electronic Funds Transfer (“EFT”) from the bank account of the owner for the annual fees and assessments. If this option is available and at the discretion of the Board, owners not utilizing the EFT service, thereby necessitating the manual processing of cash or check receipts, may be charged an annual processing surcharge of a maximum of \$25.
- (f) Special Assessments. In order to perform proper care and maintenance for the common areas, these Bylaws grant the right to create a special assessment within the LFGRHOA’s Board of Directors. Special Assessments shall be charged against each home site equally and without prejudice to any home site except where the Owner has agreed to a Special Assessment for services unique to his/her Villa. Special Assessments may be charged for, but are not limited to, excessive snow removal or remedying the consequences of an excessive drought.
- (g) The LFGRHOA has the right to suspend the voting rights for any period during which any dues or assessment against the Owner’s membership remains unpaid in which case neither the Owner nor the Lot shall be counted in determining a quorum for voting purposes.

ARTICLE VI - RULES AND REGULATIONS

Section 1. Right of Board to Adopt Rules and Regulations. The Board may promulgate such additional rules and regulations regarding the operation of the LFGRHOA, and may propose amendments, either in part or by entirety, by action of the Board of Directors with the recommendation of the Rules and Regulations Committee, and with 30 days notice to the membership and then approval by 80% of the membership, as it may deem necessary from time to time. The Board shall cause copies of such rules and regulations and all amendments thereto to be delivered to or mailed promptly to all Owners.

Section 2. Interpretation of Bylaws and Covenants. The Board of Directors shall have the power, authority and obligation to determine all matters affecting or relating to the interpretation, application and enforcement of the Bylaws, Covenants and Rules and Regulations. Any decision or determination made by the Board pursuant to its powers and obligations as set forth in this paragraph shall be deemed binding upon all parties and all Owners unless it shall be shown that said determination was made in bad faith with an intent to unfairly discriminate between Owners or was made in contravention of the express terms and conditions of the Covenants and/or Bylaws. At the option of the Board, they may appoint a person as Chairperson of a Rules and Regulation committee. This Chairperson shall be responsible to and report to a designated Board member. This Chairperson may appoint other persons as a part of this Rules and Regulations Committee as desired.

ARTICLE VII - AMENDMENT TO BYLAWS

Subject to any contrary, overriding or superseding provisions set forth herein or in the

Covenants, these Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Covenants.

ARTICLE VIII - MISCELLANEOUS

Section 1. Fiscal Year. Unless changed by resolution of the Board of Directors, the fiscal year of the LFGRHOA shall begin on the first day of January in each year and end on the last day of December next following.

Section 2. Membership. Each member of the LFGRHOA shall be registered on the Buildium web portal. All information necessary for such registration shall be provided to the administrators of the web portal and updated with revisions to that information on a timely basis. Adherence to this provision is essential to the efficient operation of the LFGRHOA.

ARTICLE IX - NOT-FOR-PROFIT CORPORATION PROVISION

Section 1. These Bylaws are the Bylaws of the Lafayette Falls General Resident Home Owners Association Corporation, a not-for-profit corporation formed under the laws of the State of Indiana and are effective as of January 1, 2014 and upon approval by the Lafayette Falls Home Owners .

These Bylaws are a part of the Covenants and annexed thereto and incorporated therein by reference.

I AFFIRM UNDER THE PENALTIES FOR PERJURY THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT UNLESS REQUIRED BY LAW.



President, LFGRHOA