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By-Laws of Villa Oaks Townhomes Association, Inc.
October 12, 1978
Hal L. Hester, President
John Bunnell, Secretary

FILED

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Revised, March, 1992
By-Laws of Villa Oaks Townhomes Association, Inc.
Peter Amsden, President
Eileen Bughman, Secretary

*Alan M. ...
Aug 13 270-187*

BY-LAWS OF THE VILLA OAKS TOWNHOMES ASSOCIATION, INC.

**A CORPORATION NOT FOR PROFIT
UNDER THE LAWS OF THE STATE OF INDIANA**

1. Identity: These are the By-Laws of the Villa Oaks Townhomes Association, Inc., hereinafter called the "Association", a Corporation not for profit under the laws of the State of Indiana, the Articles of Incorporation of which were filed in the office of the Secretary of State of the State of Indiana on the 27th day of September, 1978. The Association has been organized for the purpose of administering a Horizontal Property Regime (Condominium) pursuant to Burns Indiana Statutes, Annotated, Sections 32-1-6-1 et al, herein called the "Horizontal Property Law", which condominium is identified by the name of Villa Oaks Townhomes, A Condominium, and is located upon the following land:

Lots 1-7 inclusive, Block 1, Plum Creek Village, 4th Addition to the town of Schererville, Lake County, Indiana, also known as 1424-1449 Elm Court and 20-36 Woodhollow Drive, Schererville, Indiana.

The office of the Association shall be at the residence of the current President. The fiscal year of the Association shall be the calendar year.

The seal of the corporation shall bear the name of the corporation, the word "Indiana", the words "Corporation not for profit", and the year "1978".

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2. Members' Meetings

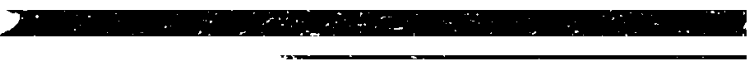
(a) The annual members' meeting shall be held during the month of January, date, time and place to be set by the Board for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

(b) Special members' meetings shall be held whenever called by the president or vice-president or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third of the votes of the entire membership.

(c) Notice of all members' meetings, stating the time and place and the objects for which the meeting is called, shall be given by the president or vice-president or secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving notice. Notice of meeting may be waived before or after meetings.

(d) A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting for at least ten (10) days, and adequate notice of the new date shall be given as described in paragraph (c) of this section.

(e) In any meeting of members, the owners of condominium units, hereinafter called either "units" or "apartments", shall each be entitled to cast one vote.



If an apartment is owned by one person his right to vote shall be established by the record title to his apartment. If an apartment is owned by more than one person, or is under lease, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment shall be designated by a certificate of appointment signed by the president or vice-president and attested by the secretary or assistant secretary of the corporation and filed with the secretary of the Association. Such certificates shall be valid until revoked, or until superseded by a subsequent certificate, or until a change in the ownership of the apartment concerned. A certificate designating the person entitled to cast the vote of an apartment may be revoked by any owner thereof.

(f) Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the secretary before the appointed time of the meeting.

(g) The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be

- (i) calling of the roll and certifying of proxies;
- (ii) proof of notice of meeting or waiver of notice;
- (iii) reading and disposal of any unapproved minutes
- (iv) reports of officers;
- (v) reports of committees:

- (vi) election of directors
(if necessary):
- (vii) unfinished business:
- (viii) new business: and
- (ix) adjournment.

3. Directors.

(a) The affairs of the Association shall be managed by a board of not more than eleven (11) directors, the exact number to be determined at the time of election. Directors' fees, if any, shall be determined by the members. All directors shall be members.

(b) Election of directors shall be conducted at the annual members' meeting. A nominating committee shall be appointed by the Board of Directors not less than 30 days prior to the annual members' meeting. The committee shall nominate one person for each director whose term is expiring. Additional nominations for directorships and directors may be made from the floor. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

(c) Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors. Not less than 1/3 of the directors shall be elected at each annual meeting.

(d) Any director may be removed by concurrence of two-thirds of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(e) The term of each director's service shall be three (3) years and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

4. Directors' meetings.

(a) The organization meeting of a newly-elected Board of Directors shall be held within thirty (30) days of its election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary providing a quorum shall be present.

(b) 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. Notice of regular meetings shall be given to each director, personally or by mail, telephone, or facsimile transmission, three (3) days prior to the day named for such meeting.

(c) Special meetings of the directors may be called by the president and must be called by secretary at the written request of one-third of the directors. Notice of the meeting shall be given personally or by mail, telephone, or FAX at least three (3) days prior to the day named for such meeting, which notice shall state the time, place, and purpose of the meeting.

(d) Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

(e) A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of directors is required by the Declaration of Horizontal Property Regime, herein called the Declaration, Articles of Incorporation, or these By-Laws. If at any meeting of the Board of Directors less than a quorum is

present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

(f) The presiding officer of director's meetings shall be the chairman of the board if such an officer has been elected, or if not, the president shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

(g) The order of business at directors' meetings shall be:

- (i) calling of roll;
- (ii) proof of due notice of meeting;
- (iii) reading and disposal of any unapproved minutes
- (iv) reports of officers and committees;
- (v) election of officers;
- (vi) unfinished business;
- (vii) new business; and
- (viii) adjournment.

5. Powers and duties of the Board of Directors. All of the powers and duties of the Association existing under the Horizontal Property Law, the Declaration, the Articles of Incorporation, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by apartment owners when such is specifically required. Compensation of employees of the Association shall be fixed by the directors. A director may be an employee of the Association, and a contract for management of the condominium may be entered with a director.

6. Officers

(a) The executive officers of the Association shall be a president, who shall be a director, a vice-president, who shall be a director, a treasurer, a secretary, and an assistant secretary, all of whom shall be elected annually by the Board of Directors and who may be removed by vote of the directors at any meeting. Any person may hold two or more offices except that the president shall not also be the secretary or an assistant secretary. The Board of Directors may from time to time elect other officers to exercise such powers and duties as the board shall find to be required to manage the affairs of the Association. Compensation of officers shall be fixed by the Board of Directors.

(b) The president shall be the chief executive officer of the Association. The president shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association, and shall preside at all meetings of the members and/or directors.

(c) The vice president shall in the absence or disability of the president exercise the powers and perform the duties of the president. The vice president shall also generally assist the president and exercise such other powers and perform such other duties as shall be prescribed by the directors.

(d) The secretary shall keep the minutes of all proceedings of the directors and the members. The secretary shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those

of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the president. The assistant secretary shall perform the duties of the secretary when the secretary is absent.

(e) The treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. The treasurer shall keep the books of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of treasurer.

7. Accounting. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) "Current expenses", which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements, or to operations. The balance in this fund at the end of each year shall be applied to reduce the assessment for current expense for the succeeding year.

(b) "Reserve for deferred maintenance", which shall include funds for maintenance items which occur less frequently than annually.

(c) "Reserve for replacement", which shall include funds for repair or replacement required because of damage, depreciation, or obsolescence.

(d) "Additional improvements", which shall include the funds to be used for capital expenditures for additional improvements or additional personal property which will be part of the common elements.

8. Budget. The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray common expenses and to provide funds for the accounts listed in section 7 of these By-Laws. The budget shall take into account the following items:

(a) "Current expense", the amount for which shall not exceed 105% of the budget for this account for the prior year.

(b) "Reserve for deferred maintenance", the amount for which shall not exceed 105% of the budget for this account for the prior year.

(c) "Reserve for replacement", the amount for which shall not exceed 105% of the budget for this account for the prior year.

(d) "Additional improvements", the amount for which shall not exceed the total annual assessment for all 29 units; provided, however, that in the expenditure of this fund no sum in excess of \$2500.00 shall be expended for a single item or purpose without approval of the members of the Association.

(e) "Operations", the amount of which may be to provide a working fund or to meet losses.

The amount for each budgeted item may be increased over the foregoing limitations when approved by apartment owners entitled to cast not less than 62% of the votes of the entire membership of the Association. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1 preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.

9. Assessments.

(a) Assessments against the apartment owners for their shares of the items of the budget shall be made on or before December 20 preceding the year for which the

assessments are made. Such assessments shall be due and payable in equal installments on the first day of each month, on a monthly basis during the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefore may be amended at any time by the Board of Directors if the items of the amended budget do not exceed the limitations thereon for that year. Any item which does exceed such limitation shall be subject to the approval of the membership of the Association as provided in section 8 of these By-Laws. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due upon the date of the assessment.

(b) If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to the apartment owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the apartment owner, or not less than 20 days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

(c) Assessments for common expenses or emergencies which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need thereof to the apartment owners concerned. The assessment shall be come effective, and it shall be due after 30 days notice thereof in such manner as the Board of Directors may require.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the moneys of the Association

shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the directors.

(e) An audit of the accounts of the Association shall be made annually by a certified public accountant or by an internal audit committee appointed by the president. And copy of the report shall be furnished to each member not later than April 1 of the year following the year for which the report is made.

(f) Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the directors, but shall be at least one-half of the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

10. Parliamentary rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration, the Articles of Incorporation, or these By-Laws.

11. Amendments. These By-Laws may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meetings considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by at least 62% of the entire membership of the Board of Directors and by not less than 62% of the votes of the entire membership of the Association; or by at

least 75% of the votes of the entire membership of the Association.

(c) No amendment shall discriminate against any apartment owner or against any apartment or class or group of apartments unless the apartment owners so affected shall consent. No amendment shall change any apartment nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, nor change the voting rights of members, unless the record owner of the apartment concerned and all record owners of liens thereon shall join in the execution of the amendment.

(d) A copy of each amendment shall be certified by the president and secretary of the Association as having been duly adopted and shall be effective when recorded in the Recorder's Office of Lake County, Indiana.

12. Rental Property. Any sale/purchase of an apartment with the intent to rent must be approved by the Board of Directors. Approval for sale/purchase may be given with the stipulation that twelve (12) months from the closing date the property will be occupied by the owner.

13. Whenever used herein, the singular shall include the plural, and vice versa, the use of any gender shall include all genders or the neuter. Whenever the approval of the Association shall be required for any purpose, such approval shall not be unreasonably withheld.



The foregoing were adopted as the Revised By-Laws of Villa Oaks Townhomes Association, Inc. at the annual meeting of the members of the said not for profit corporation, held on the 31st day of March, 1992.

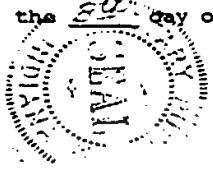
Edwin B...
Secretary

Approved: *[Signature]*
President



STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, a Notary Public in and for said State and County, personally appeared Peter Amsden and Eileen Bughman, who respectively are President and Secretary of Villa Oaks Townhomes Association, Inc., and certified the foregoing as the current By-Laws of Villa Oaks Townhomes Association, Inc. as amended by the seventy-five (75%) percent of the members of said corporation on the 24 day of April, 1992.



Timothy P. Galvin, Jr.
Notary Public

My Commission Expires:

3/7/95

My County of Residence:

Lake

This Instrument Prepared By: Timothy P. Galvin, Jr., Galvin,
Galvin & Leeney, 5231 Hohman Avenue, Hammond, IN 46320