

VILLAGE OF BUCKINGHAM
SECTION II VILLAS ASSOCIATION, INC.
BY-LAWS

ARTICLE I
IDENTIFICATION

Section 1.1 Name. The name of the corporation is Village of Buckingham Section II Villas Association, Inc., (hereinafter referred to as the "Association").

Section 1.2 Fiscal year. The fiscal year of the Association shall begin at the beginning of the first day of January and end at the close of the last day of December next succeeding.

ARTICLE II
PURPOSES AND POWERS

Section 2.1 Purposes and powers. The Association is a Not For Profit corporation designed to facilitate the management of maintenance, activities, and use of common areas in the Village of Buckingham Section II Villas, a subdivision in St. Joseph Township, Allen County, Indiana. The purposes and powers of the Association shall be those expressed in the "Protective Restrictions, Covenants, Limitations and Easements for Village of Buckingham Section II", file #94-056244, (hereinafter referred to as "the Covenants"). These purposes and powers may be amended by these by-laws after adoption approved by two-thirds(2/3) of the members or from time to time as specified in Article VIII describing Amendments.

- (a) The Association shall have the responsibility, as described in the Covenants, to determine the amount of the various assessments identified in the Covenants, and the levy and collection of same as provided in the Covenants.
- (b) The Association shall seek the enforcement, by any proceedings at law or in equity, of all restrictions, covenants reservations, liens, and charges now or hereafter imposed by the provisions of the Covenants of these by-laws or future amendments.
- (c) The Association shall have the responsibility to maintain the Common Areas of the villa members' properties as described in the Covenants. This shall include the removal of snow from driveways, walkways, and the streets in the villa area, painting/staining of the villas(to exclude front doors, decks and enclosed porches), lawn maintenance(to include mowing, fertilizing, weed control, and trimming of standard landscaping), a pro rata share of pond maintenance, and a pro rata share of the expenses of maintaining the adjacent common areas shared with other associations as determined by the Board of Directors. Also excluded from maintenance by the Association shall be vinyl siding, irrigation systems, concrete, roofs, exterior glass, and lights. These shall be the individual homeowner's responsibility.

The frequency and manner of maintenance of those areas of responsibility of the

Association shall be determined by the Board of Directors.

ARTICLE III

MEMBERS

Section 3.1 Members. The members of the Association shall be the owners of lots #124 to #151 in the Village of Buckingham Section II. Members shall be entitled to one vote for each lot owned.

ARTICLE IV

MEETINGS

Section 4.1 Addresses of members. The address of each member appearing upon the records of the Association shall be deemed to be the latest address which has been furnished in writing to the Association by such member. This address shall be used for notification of meetings of the Association as well as distribution of other Association correspondence with members.

Section 4.2 Annual meeting. There shall be an annual meeting of the members of the Association. The Board of Directors will set the time and location of this meeting no later than six months after the close of the fiscal year. Notice of the meeting shall be sent to members of record no later than two weeks prior to the meeting. At the annual meeting the directors for the ensuing year shall be elected, the officers shall present reports, and all other business as may properly be brought before the meeting shall be transacted.

Section 4.3 Special meetings. Special meetings of the members may be called by the president, by a majority of the Board of Directors, or by written petition signed by not less than 25% of the members entitled to vote. The secretary shall cause notice of the holding of such special meeting to be given to each member of record of the Association entitled to vote. The notice shall include the time, date, place, and purpose of the meeting.

Section 4.4 Waiver of notice. Notice of any members' meeting may be waived in writing by any member if the waiver sets forth in reasonable detail the purpose for which the meeting is called and a time and place thereof. Attendance at any meeting in person or by proxy when the instrument of proxy sets forth in reasonable detail the purpose for which the meeting is called shall constitute waiver of notice of such meeting. Each member who has, in the manner above provided, waived notice of a member's meeting or who personally attends a member's meeting or is represented thereat by a proxy authorized to appear by an instrument of proxy complying with the requirements above set forth, shall be conclusively presumed to have been given due notice of such meeting. When all members shall meet in person, such meeting shall be valid for all purposes and at such meeting any Association action may be taken.

Section 4.5 Quorum. At any meeting of the members, 25% of the members entitled to vote who are present in person or represented by proxy shall constitute a quorum for the transaction of business. If the members necessary to constitute a quorum shall fail to attend in person or by proxy such meeting, the majority of members present in person or by proxy may adjourn the meeting until the number of members requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 4.6 Voting. Each lot shall convey membership in the Association and the right to one vote. No member shall vote at any time when any assessment with respect to the lot for which such vote is conveyed is past due and unpaid. All members may vote in person or by proxy appointed in writing. No proxy shall be valid for more than eleven(11) months.

Section 4.7 Member action by consent in lieu of meeting. Any action required or permitted to be taken at any meeting of the Association may be taken without a meeting if prior to such action a consent in writing setting forth the action to be taken is signed by two-thirds(2/3) of the members entitled to vote, and such written consent is filed with the minutes of the proceedings of the Association.

ARTICLE V

BOARD OF DIRECTORS AND OFFICERS

Section 5.1 Number. The affairs of the Association shall be governed and managed by a Board of Directors. The number of directors may be increased or decreased to any number not less than three nor more than nine by amendment of this section.

Section 5.2 Qualification and election of directors. All directors shall be members of the Association. Directors shall be elected at the annual meeting of the Association and shall serve a term of three years. Directors may also be elected at a special meeting called for that purpose. Approximately one-third of the directors will be elected at each annual meeting in a three year succession. The newly elected director's term shall commence at the first Board of Directors meeting held subsequent to the annual Association meeting.

The present Board of Directors shall be responsible for nominating at the Annual Meeting eligible candidates for the Board who have indicated they would be willing to serve if elected. Additional nominations may be accepted from the floor if the person so nominated is qualified and has agreed to serve if elected.

Section 5.3 Vacancies. Any vacancy occurring in the Board of Directors caused by resignation, death, or other incapacity shall be filled by a majority vote of the remaining members of the Board until the next Annual Association Meeting. Alternatively, the position may be filled by a majority

vote of the Association membership at a special meeting called for this purpose.

Section 5.4 Removal of director. A director may be removed with or without cause by the majority vote of the members at an Association meeting called for that purpose. In such case, a successor director shall be elected at the same meeting from eligible members nominated at the meeting. The director so elected shall serve the duration of the three year term for which the vacancy occurred.

Section 5.5 Meetings. The Board will determine the need for and the time of Board meetings. Special Board meetings may be called by the president, the secretary, or by any two directors. At least 72 hours notice of such meeting specifying the time, place, and purpose of the meeting shall be given to each director personally, by written notice by mail, or by telephone. Notice of such meeting may be waived in writing by any director if the waiver sets forth the purpose, time, and place for which the meeting is called. Attendance at any meeting in person by any director shall constitute a waiver of the notice of such meeting.

Section 5.6 Quorum and voting. A majority of the actual number of directors elected shall be necessary to constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 5.7 Officers. The officers of the Board of Directors shall be members of the Board and chosen by the Board members and shall consist of a President, a Vice President, a Secretary, and a Treasurer. One person may hold more than one office, except that the offices of President and Secretary may not be held by the same person. The Board may from time to time appoint other officers that they deem necessary.

(a) The President shall preside at all meetings of the Association and of the Board. He/she shall have and discharge all the general powers and duties usually vested in the office of a president of an association. The President has the authority to appoint committees from among owners as he/she may deem necessary to assist in the affairs of the Association.

(b) The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President.

(c) The Secretary shall attend all meetings of the Association and keep a true and complete record of the proceedings of such meetings. The Secretary shall see that all notices and minutes of the Association are mailed or delivered in accordance with the provisions of these by-laws.

(d) The Treasurer shall maintain a correct and complete record of the financial condition of the Association. He/she 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 Association.

He/she shall make appropriate deposits of all funds of the Association coming into his/her hands in some reliable bank or other depository and shall keep such bank account or accounts in the name of the Association. The Treasurer is expected to provide proper timely reports depicting the financial status of the Association.

Section 5.8 Removal. Any officer may be removed by a majority vote of the other members of the Board whenever the Board in its judgment believes the best interests of the Association will be served by such removal.

Section 5.9 Duties. The business and affairs of the Association shall be managed by the Board of Directors. In addition to the duties outlined previously in the By-laws and the Covenants the Board of Directors shall provide for:

- (a) Contracting with others to perform the maintenance functions previously listed.
- (b) Purchase of fiduciary bonds and/or other insurance deemed necessary by the Board of Directors.
- (c) Employment of legal counsel, architects, contractors, accountants, and others judged by the Board of Directors to be necessary or desirable in connection with the business and affairs of the Association.
- (d) The appointment of committees as the Board deems necessary to aid in the operating of the Association.
- (e) The appointment from among the members three people to serve on an Architectural Review Board. The members of this board shall serve until a vacancy occurs by resignation or until the loss of status as a member of the Association. The duties of this Architectural Review Board shall be determined by the Association Board of Directors.
- (f) To perform such other duties as may be reasonably inferred from the provisions of the Covenants and By-laws.

ARTICLE VI

DUES AND ASSESSMENTS

Section 6.1 Dues and assessments. The assessment of dues, special assessments and the payment of such assessments shall be governed by the appropriate areas set forth in the Covenants. The Covenants address the lots occupied by a dwelling. A lot that is sold by the developer shall not be subject to assessments until either the dwelling on such lot is substantially completed or until one year has elapsed from the date of the sale, whichever occurs first. When either of these events occurs, the full regular assessment for the lot and/or dwelling will commence on the first of the month next following.

Section 6.2. Reports. The Board of Directors shall submit to the members an annual accounting of the receipts and expenditures of the Association as well as an annual budget and proposed dues

ARTICLE VII

RESTRICTIONS ON USE

Section 7.1 Restrictions. The members of the Association shall be subject to and abide by the General Provisions as listed in the Covenants. Additionally:

(a) No external antenna or satellite receiver shall be permitted on any lot or attached to any dwelling, except as approved by the Architectural Review Board. However, any one dish receiver less than 24" in diameter may be attached to a dwelling.

(b) Each dwelling will have a functioning front yard light which will be illuminated at all times other than daylight hours.

(c) No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any home or in the common area except that small pet dogs, cats, or customary household pets may be kept in a home assuming the pet does not cause a nuisance. Pets will be maintained on the lot of the owner and the owner shall be fully liable for any damage caused by the pet to any dwelling, lot, or common area. The pet shall be attended if it leaves the owner's lot and any droppings should be retrieved and disposed of in a proper receptacle. Any pet which, in the judgment of the Board, is causing a nuisance or unreasonable disturbance shall be permanently removed from the property upon ten day's written notice from the Board to the respective owner. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time.

(d) There shall be no docks, piers, or rafts extended into Lake Buckingham.

Section 7.2 Amendments to restrictions. The Board of Directors may promulgate reasonable rules and regulations regarding the functioning of owners, their properties, the common areas, and the Association. Such rules as adopted may be repealed or amended by a majority vote of the Board. The Board shall distribute copies of all such rules, regulations, amendments, or repeals to the members in a timely manner.

ARTICLE VIII

AMENDMENTS

Section 8.1 Amendment. These by-laws may be amended by a two-thirds(2/3) vote of the members of the Association present at a duly constituted meeting, either the annual meeting or a special meeting called for the purpose of amending the by-laws, except as prohibited by any provision of the Covenants or these by-laws, as may be amended from time to time.

ARTICLE IX

NON LIABILITY OF DIRECTORS

Section 9.1 Non liability. 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 Association 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 Association, unless such contracts shall have been made in bad faith. It is intended that directors shall have no personal liability with respect to any contract made by them on behalf of the Association.

Section 9.2 Additional indemnity of directors. The corporation shall indemnify, hold harmless and defend any person, his heirs, assigns, and legal representatives made a party to any action, suit, or proceeding by reason of the fact that he is or was a director of the Association, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any 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 or her duties. The Association shall also reimburse to any such director the reasonable costs of settlement of, or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote 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 duties where acting in good faith, such director relied upon the books and records of the Association or statements or advice made by or prepared by the officers or employees of the Association or any accountant, attorney, or other person, firm or corporation, employed by the Association to render advice or service, unless such director had actual knowledge of the actual falsity or incorrectness thereof. Also, a director shall not be deemed guilty of, or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the board of directors.