

**BYLAWS
OF
HERITAGE VALLEY VILLAGE SERVICES ASSOCIATION, INC.
A Not-For-Profit Corporation**

ARTICLE 1. GENERAL PROVISIONS

Section 1. Identification.

These are the Bylaws of the Heritage Valley Village Services Association, Inc., an Indiana Not-For-Profit Corporation, hereinafter referred to as "the Association".

Section 2. Purpose.

This Association has been organized for the purpose of maintaining and operating the common property within Heritage Valley Village, to administrate and enforce covenants and restrictions applicable to said property, and to collect and distribute assessments and charges therefore, and any other activity incidental or related to the foregoing.

Section 3. Office.

The address of the Association will be P.O. Box 1816, Valparaiso, Indiana 46534.

Section 4. Fiscal Year.

The fiscal year of the Association will be from January 1 to December 31.

Section 5. Seal.

The Association may at its discretion have a corporate seal. If the Association has a corporate seal, it will be as follows: A circular disk on the margin of which will appear the Association name and the state of incorporation with the words "Corporate Seal" through the center so mounted that it may be used to impress these words in raised letter on paper. The Secretary will be in charge of the seal.

ARTICLE 2. MEMBERSHIP

Section 1. Membership Qualification.

The membership of the Association will consist of an owner of any lot with a restriction of a deed allowing an assessment of dues and such owner is in good standing.

Section 2. Transfer.

Membership will be transferred automatically upon the transfer of any lot or living unit. Upon each change in membership, the old member will notify the Secretary of the Association of said transfer immediately after the transfer has occurred.

ARTICLE 3. MEETINGS AND MEMBERS

Section 1. Place of Members' Meetings.

Meetings of the membership of the Association shall be held at such place within or without the State of Indiana as may be specified in the respective notices or waivers of notice thereof.

Section 2. Annual Meeting.

The annual meeting of the membership in the association will convene at the discretion of the Board of Directors in October of each year with due notice to all members. If for any reason the annual meeting of the members will not be held at the time of place herein provided, the same may be held at any time thereafter.

Section 3. Special Meetings.

Special meetings of the membership may be called by the President, by the Board of Directors, or by written request of the members entitled to cast one-third (1/3) or more votes of the entire membership.

Section 4. Notice of All Meetings.

Notice of the annual general membership meetings, including the day, time, place and purpose for the meeting, shall be given by the Board of Directors. Such notice will be given in writing to each member at such member's address as it appears on the books of the Association and will be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting.

Section 5. Quorum

Unless otherwise provided by the Articles of Incorporation, or the Declarations of Covenants and Restrictions, at any meeting of members, a majority of members entitled to vote by the Articles of Incorporation, represented in person or by proxy, will constitute a quorum at any meeting of the members.

Section 6. Voting Rights

Members will be entitled to cast one (1) vote for each lot or living unit of which the member is an owner.

Section 7. Designation of Voting Representative

The vote for any membership, which is held by more than one person, will be exercised by any one of them unless any objection or protest by any holder of such membership is made prior to the completion of a vote, in which case the vote of the membership will not be counted.

Section 8. Proxies.

Votes may be made in person or by proxy. A proxy may be made in writing by any person entitled to vote and will be valid only for the particular meeting designated in the proxy and must be filed with the Secretary of the Association before the appointed time of the meeting or any adjournment of the meeting.

Section 9. Adjourned Meetings.

If any meeting of members cannot be organized because a quorum has not attended, the members present either in person or by proxy may adjourn the meeting from time to time until a quorum is present.

Section 10. Order of Business.

The order of business at the annual members' meetings and as far as practical at other meetings shall be:

- (a) Election of a Chairman of the meeting;
- (b) Calling of the roll and certifying of proxies;
- (c) Proof of meeting or waiver of notice;
- (d) Reading and disposal of any unapproved minutes;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Election of Directors;
- (h) Unfinished business;

- (i) New business;
- (j) Adjournment.

ARTICLE 4. BOARD OF DIRECTORS

Section 1. Election of Directors

The Board of Directors shall consist of nine (9) members divided into three groups whose terms of office shall expire three (3) years after the annual meetings at which they were elected; except that the terms of three (3) of the members of the first Board of Directors will expire after one (1) year and the terms of the three (3) other members of the first Board of Directors will expire after two (2) years. Two (2) members of the Board of Directors will be elected by the owners or occupants of living units in Cotters Mill Condominiums, Windmill Cove and Cotters Mill; two (2) will be elected by the owners or occupants of living units in Thornapple Farms located East of Thornapple Drive; two (2) will be elected by the owners or occupants of living units in Olde Towne; and one (1) member will be elected at-large by all the members of the Association. The at-large member's residence will alternate each year between the north and south sides of the creek. Each of the four areas described in the preceding sentence will constitute a separate neighborhood service district.

Section 2. Nominating Committee.

The Board shall appoint a Nominating Committee consisting of three (3) persons, none of whom will be members of the Board of Directors. The Committee will submit a list of nominations to the Board to be circulated to all members of the Association at least thirty (30) days prior to the annual meeting of the membership.

It is the intent of the Board that the Nominating Committee will solicit interested persons and shall screen their qualifications. However, nothing herein will be construed to prohibit nominations from the floor at any annual meeting of individuals other than those selected by the Nominating Committee.

Section 3. Directors' Qualifications.

An individual may be elected to the Board of Directors only if he or she has attained the age of twenty-one (21) and is a member of good standing.

Section 4. Removal of Directors.

A Director may be removed by the concurrence of at least two-thirds (2/3) of the Board of Directors.

Section 5. Vacancies.

Any vacancies created by impeachment, resignation or death will be filled by appointment of the Board of Directors. The appointed member will serve until the next annual meeting of the members at which time the members will elect a person to serve the unexpired term of the vacancy.

Section 6. Regular Meetings of Directors.

The regular meetings of Directors may be held at such time and place as will be determined from time to time by a majority of the Directors.

Section 7. Special Meetings of Directors.

Special meetings of the Directors may be called by the President or Chairman of the Board of Directors if such officer has been elected and must be called by the Secretary at the written request of two-thirds (2/3) of the Directors. Notice of the special meeting will be given to each Director at least than (3) days prior to the day named for such meeting either personally or by mail setting forth the time, place and purpose of the meeting.

Section 8. Waiver of Notice of Directors' Meeting.

Any Director may waive notice of a special meeting before or after the meeting and such waiver will be equivalent to the giving of notice.

Section 9. Quorum of Directors.

A quorum of Directors will consist of a majority of the entire Board of Directors.

Section 10. Adjourned Meeting of Directors.

If at any meeting of the Board of Directors there be less than a quorum is present, a majority of those present may adjourn the meeting from time to time until a quorum is present. If no quorum is reached for two consecutive meetings, at the third scheduled meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Joinder in Meeting by Approval of Minutes.

The joinder of a director in the action of a meeting by signing and concurring with the minutes of that meeting will constitute the present of such Director for the purpose of determining a quorum.

Section 12. Presiding Officer at Director's Meeting.

The presiding officer of a Director's meeting will be the President of the Board. In the absence of the presiding officer, the Directors present will designate one of their own to preside.

Section 13. Order of Business at Directors' Meeting.

The order of business at the Directors' meetings shall be:

- A. Calling of roll;
- B. Proof of due notice of meeting;
- C. Reading and disposal of any unapproved minutes;
- D. Reports of officers and committees;
- E. Election of officers;
- F. Unfinished business;
- G. New business
- H. Adjournment.

ARTICLE 5. POWERS AND DUTIES OF THE BAORD OF DIRECTORS.

Section 1. Powers and Duties of the Board of Directors.

All the powers and duties of the Association existing under Indiana law, the several Declarations of Covenants and Restrictions, Articles of Incorporation, and these Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject onto approval by the membership when such is specifically required. The Board may delegate such of its duties and/or responsibilities, as it may deem appropriate.

Section 2. Assessments.

The Board will make and collect assessments against members to defray the costs and expenses of the management and operation of the Association and the common areas.

Section 3. Disbursements.

The Board shall use the proceeds of the assessments in the exercise of its powers and duties.

Section 4. Maintenance.

It will be the responsibility of the Board to maintain, repair and/or replace the following:

- (a) All common areas; and
- (b) All incidental damage caused by work done by direction of the Board.

Section 5. Insurance.

The Board of Directors will be authorized to acquire insurance coverage from time to time, as it may deem appropriate.

Section 6. Regulation.

The Board will have the right to promulgate such reasonable rules and regulations, as it may deem necessary with respect to the maintenance, use and enjoyment of the common areas as well as the use of individual units. Such rules and regulations will be circulated to all members and copies will be made available for inspection by the Secretary charged with keeping a formal record of all proceedings of the Board. The rules and regulations may be amended or retracted from time to time by the Board.

Section 7. Committees.

The Board will have the power to designate and appoint such committees as is may deem necessary to properly manage and operate the Association. Individuals other than Board members may be appointed to such committees.

Section 8. Bonding.

The Board will have power to bond the Treasurer or other designated individuals charged with the responsibility of handling of the Association's funds.

Section 9. Management Contract.

The Board may contract for the management of the common areas with the voting approval of a quorum of the membership.

Section 10. Enforcement

- (a) The Board shall have the general power to enforce any and all of the provisions, covenants, and restrictions set forth in the Declaration of Covenants and Restrictions, the Articles of Incorporation and/or By-Laws.
- (b) Any assessment not received by the Association within ten (10) days after the due date shall be deemed delinquent and the Association may (1) declare the remaining unpaid portion of the annual assessment immediately due and payable and (2) assess an additional late charge of no more than twelve percent (12%) of the amount due. Any Assessment lien obtained pursuant to this declaration may be enforced by foreclosure against the delinquent lot as

though said assessment lien were a real estate mortgage and the procedure, limitation and remedies of the parties shall be the same as those conferred on parties in the mortgage foreclosure action, including costs, expenses and attorney fees.

- (c) Each remedy set forth herein shall be in addition to any and all other rights and remedies available to the Board at law or in equity.

ARTICLE 6. OFFICERS OF THE CORPORATION.

Section 1. Executive Officers.

The executive officers of the Association shall all be a president, who shall be a director; one or more vice presidents; a treasurer; and a secretary; all of whom shall be elected annually by the Board of Directors and who may be summarily 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 assistant secretary. The Board of Directors may from time to time elect such other officers and designate their powers and duties as the Board shall find to be required with regard to the management of the affairs of the Association.

Section 2. President.

The President will be the chief executive officer of this Association. The President shall have all the powers and duties usually vested in the office of the President of an association including but not limited to the power to appoint committees from among the members from time to time as his discretion may determine appropriate to assist in the conduct of the affairs of the Association.

Section 3. Vice President.

The Vice President in the absence or disability of the President shall exercise such other powers and perform such duties as shall be prescribed by the Director.

Section 4. Secretary.

The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have the custody of the seal of the Association and affix it 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 the Secretary of the Association and as may be required by the Directors or the President.

Section 5. Treasurer.

The Treasurer shall have custody of all property of the Association including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and he shall perform all other duties incident to the office of Treasurer. The Treasurer shall be bonded.

ARTICLE 7. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association set forth in the Declaration of Covenants and Restrictions and in the Articles of Incorporation shall be supplemented by the following provisions:

Section 1. Accounts.

The receipts and expenditures of the Association shall be credited and charged to accounts in accordance with generally accepted accounting principles.

Section 2. Budget.

The Board of Directors shall adopt a budget for each fiscal year, which shall include the estimated funds required to defray common expenses, and to provide and maintain funds for the necessary accounts in accordance with generally accepted accounting principles. Copies of the budget and proposed assessment shall be transmitted to each member at least thirty (30) days preceding the fiscal year for which said budget has been made.

Section 3. Assessments.

The Board of Directors shall make and collect assessments according to the provisions of Article V of the Heritage Valley Village Declaration of Covenants and Restrictions.

Section 4. Bank Depository.

The depository of the Association shall be such bank or banks authorized to do business in Porter County, Indiana, as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawals of moneys from such accounts shall be only checks signed by such persons as are authorized by the Board of Directors.

Section 5. Accounting.

An annual accounting shall be prepared and submitted to the members not later than twenty-one (21) days prior to the annual meeting. An audit of the Association by a Certified Public Accountant may be required if desired by a majority of the membership.

Section 6. Bonds.

Fidelity bonds may be required by the Board of Directors from all persons handling or responsible for the Association funds. The amount of such bonds shall be determined by the Directors. The premium of such bonds shall be paid by the Association.

ARTICLE 8. AMENDMENTS.

These Bylaws may be amended in the following manner:

Section 1. Notice.

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

Section 2. Approval.

A resolution adopting a proposed amendment may be proposed by either the Board of Directors or the members of the Association. Directors or members not present in person or by proxy at the meetings considering the amendment may express their approval in writing provided such approval is delivered to the Secretary at or prior to the meeting. Except as otherwise provided, such approvals must be by two-

thirds (2/3) of the Board of Directors and by not less than fifty percent (50%) of the votes of the entire membership of the Association voting on the proposed amendment.

Section 3. Prohibitions.

No amendments shall discriminate against any lot or living unit owner or against any lot or living unit or class of group of lot or living units unless the lot or living unit owner so affected shall consent. No amendments shall change any lot or living unit 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 lot or living unit concerned and all record owners of liens thereon shall join in the execution of the amendment.

Section 4. Recording.

A copy of each amendment shall be certified by the President and Secretary of the Association as having been dully adopted and shall be effective when recorded in the corporate record book and copies mailed to all members.

The foregoing were adopted as the Bylaws of Heritage Valley Village Services Association, Inc., a not-for-profit corporation organized under the law of the State of Indiana, at the first meeting of the Bylaw Committee on this day.