

**BY-LAWS OF
AUBURN MEADOW COMMUNITY ASSOCIATION**

**ARTICLE I
PURPOSES AND POWERS**

The Association shall be responsible for the general management and supervision of the Common Area and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Association shall have all powers now or hereafter granted by the Nonprofit Corporation Act of the State of Indiana, which shall be consistent with the purposes specified herein and in the Declaration.

**ARTICLE II
OFFICERS**

2.01 Registered Office. The Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Association may have other offices within or without the State of Indiana as the Board of Directors may from time to time determine.

2.02 Principal Office. The principal office of the Association shall be initially maintained at 1945 Harder Court, Schererville, Indiana.

**ARTICLE III
MEMBERSHIP AND VOTING
RIGHTS IN THE ASSOCIATION:
BOARD OF DIRECTORS OF THE ASSOCIATION**

3.01 Membership. Every Owner of a Dwelling or Lot (including the Declarant and Developer) is hereby declared to be a Member of the Association. Membership is appurtenant to and shall not be separated from ownership of such Owner's Dwelling or Lot. Each such Owner, by acceptance of a deed or other conveyance of a Dwelling or Lot, thereby becomes a Member, whether or not the Declaration or such membership is made a part of, incorporated by reference in, or expressed in said deed or conveyance. There shall be one membership allocable to each Dwelling or Lot (herein called a "Unit Membership") and any Member who is the Owner of more than one such Dwelling or Lot shall have the number of Unit Memberships equal to the number of such Dwellings or Lots. In the event any Lot may be zoned for a multi-family structure, then the Owner of any such Lot shall have the number of Unit memberships equal to the number of Dwellings which may be legally constructed upon such Lot. If the record ownership of a Dwelling or Lot shall be in more than one person, or if an Owner of a Dwelling or Lot is a trustee, corporation, partnership or other legal entity, then the individual who shall enjoy the Unit Membership and be responsible for the obligations attributable thereto, shall be designated by such Owner or Owners in writing.

3.02 Voting Rights. Members shall be represented at Association meetings exclusively through delegates selected in accordance with the provisions of Paragraph 3.03 hereof (herein called "Association Delegates"). Except for Association Delegates appointed by

Declarant, each such Association Delegate must be a Member of the Association or a spouse of a Member.

3.03 Selection of Association Delegates. Each Neighborhood Association shall be represented at Association meetings by a delegation composed of two (2) Association Delegates, which delegation shall be composed of the President (or similar designee) of the respective Neighborhood Association and one (1) other Owners. The board of directors of each Neighborhood Association shall designate the Association Delegates for such Neighborhood Association and fix the rules of administration of that Neighborhood Association's delegation. Each Association Delegate appointed by a Neighborhood Association must be a member of such Neighborhood Association, excluding those appointed by Declarant.

3.04 Method of Voting. The total number of votes which may be cast on any matter requiring assent of Members of the Association shall be equal to the total number of Unit Memberships at the time of any such vote. Whenever a vote of the Members of the Association is required pursuant to the Declaration, or pursuant to the articles of incorporation or By-Laws of the Association, or is otherwise required by law, such votes shall be cast only by the Association Delegates representing the respective Members, in the same manner and with the same force and effect as though each Member had given the delegation of Association Delegates which represents such Member's Neighborhood Association an irrevocable proxy coupled with an interest. The Association Delegates for each such Neighborhood Association shall collectively cast a total number of votes equal to the number of Unit Memberships which it represents. Such total number of votes may be cast in such manner as the Association Delegates, acting in accordance with its rules of administration, deem advisable, and the delegation shall not be required to cast all such votes as a unit. Each Association Delegate shall be entitled to cast one-half (1/2) of the total vote of the Unit Memberships it represents. Unless the Declaration or the articles of incorporation or these By-Laws of the Association, or any law, shall specify a greater vote, all Association matters requiring action by Members or by the Association Delegates shall be decided by a majority of the votes cast by Association Delegates voting at a meeting at which a quorum (as defined herein) is present. In the event of a tie, the tie shall be broken by a mediator chosen by the Association Delegates. Should the Association Delegates be unable to reach an agreement on the selection of a mediator, the current Administrator (Manager) of the Town of Schererville shall choose the mediator.

3.05 Board of Directors. *AMENDED 12-12-05*

(a) The Association shall be governed by its Board of Directors ("Board") comprised of six (6) persons duly appointed or elected as provided herein and in the articles of incorporation and By-Laws of the Association. The initial Board shall be comprised of three (3) persons duly appointed by the Declarant pursuant to its rights under Section 3.06 hereof, until such time as the initial meeting to elect the first Board occurs.

(b) The Board shall administer the Common Area in accordance with the terms and provisions of the Declaration, and in accordance with the articles of incorporation and By-Laws of the Association. All matters requiring action by the Board shall be decided by the majority vote of the Board, except as otherwise provided herein or in the By-Laws.

(c) Prior to the appointment of the first Board of the Association pursuant to Paragraph 3.06 hereof, Declarant (or its beneficiary or designees) may exercise all rights, powers and privileges of the Board and may perform all of its functions, including its functions under Article IV of the Declaration.

3.06 Appointment of Directors by Declarant. Notwithstanding any other provisions of the Declaration or the articles of incorporation or By-Laws of the Association, the first and each subsequent Board shall consist of, and vacancies on the Board shall be filled by, such persons as Declarant shall from time to time appoint, until the first to occur of any one of the following events: (i) seven (7) years after the recording of the Declaration; (ii) Declarant surrenders such authority by an express amendment to the Declaration executed and recorded by Declarant; or (iii) upon the sale and conveyance of one hundred percent (100%) of the Dwellings in the Development to persons other than the Declarant or builders holding title for purposes of development and sale. For purposes of this Section 3.06, "Dwellings in the Development" shall refer to all Dwellings within or contemplated to be within the Property and Additional Property. Such right of Declarant to appoint directors to the Board shall be to the exclusion of the right of the Members or the Association Delegates so to do. The Owners, Members or Association Delegates shall not, without the prior written consent of Declarant, have the right to amend, modify or change the articles of incorporation or By-Laws of the Association to in any way diminish the authority of the Board during the period that Declarant has the right to appoint any members of the Board. Declarant may, from time to time, by written notice to the Association, voluntarily terminate its right to appoint one or more directors, and continue to exercise its right to appoint the remaining members of the Board for the period hereinabove specified. Declarant's election to terminate its right to appoint any number of members of the Board or to terminate its control of the Association, shall not affect the right of Declarant to participate in the Association as a Member thereof and to appoint Association Delegates to cast the number of votes equal to the number of Dwellings or Lots owned by Declarant. All directors who are not subject to appointment by Declarant shall be elected in accordance with the provisions of Paragraphs 3.07 and 3.08 hereof.

3.07 Initial Meeting of Association Delegates to Elect Directors. Upon receipt by the President of the Association of a copy of the written notice of Declarant to voluntarily terminate its control of the Association, described in Paragraph 3.06(ii), or of any other appropriate evidence of the termination of Declarant's right to appoint all the directors of the Board, the President (or similar designee) shall promptly convene a meeting of the Association Delegates for the purpose of electing a new Board or to elect those directors who no longer are to be appointed by Declarant. The President of each Neighborhood Association shall be designated as a member of the Board.

3.08 Election of Directors. Upon termination of Declarant's right to appoint any of or all the directors of the Board, pursuant to Paragraph 3.06 hereof, those directors not subject to appointment by Declarant shall be selected by vote of the Association Delegates in accordance with the provisions of this Article.

3.09 Transfer of Association Records. Within sixty (60) days following the initial meeting of the Association Delegates not appointed by Declarant, the Declarant shall deliver to the Board:

(a) all original documents as recorded or filed pertaining to the Property, its administration, and the Association, such as the Declaration, articles of incorporation, By-Laws other instruments, annual reports, minutes and rules and regulations, contracts, leases or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the Declarant, or an officer or agent of the Declarant, as being a complete copy of the actual document recorded as filed;

(b) a detailed accounting by the Declarant, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance and

operation of the Property and copies of all insurance policies and a list of any loans or advances to the Association which are outstanding;

(c) Association funds, which shall have been at all times segregated from any other monies of the Declarant;

(d) a schedule of all real or personal property, equipment and fixtures belonging to the Association, including documents transferring the Common Area or any part thereof, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies and all tax bills; and

(e) a list of all litigation, administrative action and arbitrations involving the Association, any notices of governmental bodies involving actions taken or which may be taken concerning the Association, engineering drawings and specifications as approved by any governmental authority, all governmental certificates, correspondence involving enforcement of any Association requirements, copies of any documents relating to disputes involving Owners and originals of all documents relating to everything listed in this Section 3.09.

3.10 Informal Action by Directors. Unless specifically prohibited by the articles of incorporation or By-Laws of the Association, any action required by the Declaration to be taken by the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors of the Board entitled to vote with respect to the subject matter thereof. Any such consent signed by all the directors of the Board shall have the same effect as a unanimous vote.

3.11 Informal Action by Association Delegates. Any action required by the Declaration to be taken at a meeting of the Association Delegates, or any other action which may be taken at a meeting of the Association Delegates may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Association Delegates entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Association Delegates.

3.12 Board Liability. The Declarant (and its beneficiary), Developer, its directors, officers, shareholders, partners, employees or agents, the Board, members of the Board, officers of the Association, and the agents and employees of any of them (all of the above hereinafter referred to as the "Protected Parties"), shall not be liable to the Owners or any other person for any mistake of judgment or for any acts or omissions of any nature whatsoever in their respective positions which shall occur subsequent to the date of the recording of the Declaration, except for such acts or omissions found by a court of competent jurisdiction to constitute willful misfeasance, gross negligence or fraud. The Owners shall indemnify, hold harmless, protect and defend any and all of the Protected Parties against all claims, suits, losses, damages, costs and expenses, including, without limitation, attorneys' fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. Each Owner shall be entitled to a right of contribution from every other Owner in respect of said indemnity to the end that, to the extent possible, the burden of any such indemnity shall be borne by the Owners at the time the loss, cost, damage or expense is incurred in the proportion that the number of Dwellings or Lots in the Property owned by each respective Owner bears to the total number of Dwellings or Lots in the Property at the time the loss, cost, damage or expense is incurred. The Board shall assess each Owner for his share of the cost of such indemnification, and such assessment shall be collectible and enforceable in mode and manner as set forth in Article V hereof. To the extent possible the obligation of the Owners for indemnification and the Board's liability hereunder

shall be insured by means of appropriate contractual endorsements to the comprehensive general liability insurance policies held from time to time by the Association.

3.13 Nonprofit Purposes of Association. Nothing herein shall be construed to give the Association authority to conduct an active business for profit on its own behalf or on behalf of the Members, or on behalf of the Declarant.

3.14 Governing Law. Except as otherwise provided in the Declaration, the Association, the Board, officers and members shall be governed by the Indiana Nonprofit Corporation Act.

3.15 Board as Representative of Owners. The Board shall have standing and capacity to act in a representative capacity in relation to matters involving the Common Area or more than one Dwelling or Lot, on behalf of the Owners as their interests may appear.

3.16 Compensation. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

3.17 Vacancies in Board. Vacancies in the Board, other than as a result of removal pursuant to Paragraph 3.07 hereof, including vacancies due to any increase in the number of persons on the Board, shall be filled by the remaining members of the Board or by the Members present at the next annual meeting or at a special meeting of the Members called for such purpose.

3.18 Election of Officers. The Board shall elect from among its members a President who shall preside over both its meetings and those of the Members, and who shall be the chief executive officer of the Board and Association, a Secretary who will keep the minutes of all meetings of the Members and of the Board who shall, in general, perform all the duties incident to the office of Secretary, and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

3.19 Removal of Board Members. Any Board member may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be elected by the Members at the same meeting or any subsequent meeting called for that purpose.

3.20 Meeting of the Board. The initial meeting of the Board shall be held immediately following the initial meeting of the Members and at the same place. At such meeting the Board shall elect its officers to serve until the first annual meeting of the Board which shall be held immediately following the first annual meeting of the Members and at the same place. All subsequent annual meetings of the Board shall be held without other notice than provided in the By-Law immediately after and at the same place, or other place, as the annual meeting of Members. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each member, delivered personally or by mail or telegram. Any member may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting. A majority of the number of Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action

may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present.

3.21 Execution of Investments. All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President.

ARTICLE IV **POWERS OF THE BOARD**

4.01 General Powers of the Board. Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Board shall have the following general powers and duties:

- (a) to elect the officers of the Association as hereinabove provided;
- (b) to administer the affairs of the Association and the Common Area;
- (c) subject to Section 4.04(b) below, to engage the services of a manager or managing agent who shall manage and operate the Common Area;
- (d) to formulate policies for the administration, management and operation of the Common Area;
- (e) to adopt administrative rules and regulations governing the administration, management, operation and use of the Common Area, and to amend such rules and regulations from time to time;
- (f) to provide for the maintenance, repair and replacement of the Common Area and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;
- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Area and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);
- (h) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners of such Lots which have been occupied for residential purposes, their respective shares of such estimated expenses, as hereinafter provided; and
- (i) to exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Owners by the articles of incorporation, the Declaration or these By-Laws.

4.02 Capital Additions and Improvements. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions or capital improvements to

the Common Area (other than for purposes of replacing or restoring portions of the Common Area, subject to all the provisions of the Declaration) or to those portions of the Dwellings as set forth in Section 5.01 of the Declaration having a total cost in excess of Ten Thousand Dollars (\$10,000.00), without in each case the prior approval of the Association Delegates holding two-thirds (2/3) of the total votes.

4.03 Tax Relief. In connection with the Common Area, the Board shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Indiana or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge all expenses incurred in connection therewith to the maintenance fund.

4.04 Rules and Regulations: Management

(a) Rules. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and Occupants. Written notice of such rules and regulations shall be given to all Owners and Occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(b) Management. The Declarant or the Board shall engage the initial management organization under contracts expiring not later than ninety (90) days after the date the initial meeting of Association Delegates is held ("Transfer Date"). Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board provided, however, that if the Association, Declarant or Board shall enter into an agreement or agreements for the professional management of the Property before the Transfer Date, such agreement or agreements shall be terminable by the Association without cause at any time after the Transfer Date and shall not require the payment of any penalty by the Association and shall not require advance notice of termination of more than ninety (90) days. Any management fees incurred pursuant to this Section 4.04(b) shall be paid from the assessments collected pursuant to Article V hereof.

(c) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

4.05 Liability of the Board of Directors. The members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith by such officers or Board members. The Owners shall indemnify and hold harmless each of the members of the Board and each of the officers against all contractual liability to others arising out of contracts made by the Board or officers on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

ARTICLE V
COVENANTS FOR MAINTENANCE ASSESSMENTS

5.01 Creation of the Lien and Personal Obligation. Each Owner of a Dwelling or Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance for each Dwelling or Lot owned by such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association such assessments as are levied pursuant to the provisions of the Declaration and the By-Laws of the Association. Such assessments, together with interest thereon and cost of collection, if any, as hereinafter provided, shall be a charge and continuing lien upon the Dwelling or Lot against which such assessment is made. Each such assessment together with such interest and costs, shall also be the personal obligation of the Member who was the Owner of such Dwelling or Lot at the time when the same fell due.

5.02 Purpose of Assessments. The assessments for Common Expenses levied by the Association (or by Declarant acting on its behalf pursuant to Section 3.05(c) hereof) shall be used for the purpose of promoting the recreation, health, safety and welfare of the Members of the Association and in particular, without limiting the foregoing: (i) for the improvement and maintenance of the services and facilities devoted to the use and enjoyment of the Common Area, (ii) for the making of repairs, replacements and additions to the Common Area, defraying the cost of labor, equipment, and material required for the maintenance of the Common Area, (iii) for the operation, care, upkeep, maintenance, replacement and of any common areas of any Neighborhood Association to the extent any such Neighborhood Association has delegated these powers and duties to the Association, and (iv) in general for carrying out the duties of the Board as set forth in the Declaration and the By-Laws of the Association; and for carrying out the purposes of the Association as stated herein and in its Articles of Incorporation.

5.03 Assessment Procedures.

(a) Preparation of Estimated Budget. Each year on or before November 1, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services, fees, supplies and other items which, in the judgment of the Board, will be required to be provided to the Association or required to meet the Association's obligations during the ensuing calendar year to effect the purposes of the Association, a copy of which estimated budget shall be provided to all Owners at least thirty (30) days prior to its adoption by the Board. The annual budget shall take into account any estimated net operating income or deficit which may result from the operation of the Common Area during such year and income from user charges to be received pursuant to Section 5.03(g) hereof. Said "estimated cash requirement" shall be allocated among and assessed to Members in accordance with the provisions of Section 5.06 hereof. The Board shall give written notice, mailed or delivered, to each Owner no less than ten (10) and no more than thirty (30) days prior to any meeting of the Board concerning the adoption of any proposed budget or any increase or establishment of an assessment.

(b) Date Payments Due. On or before January 1 of the ensuing year, and on the first day of each and every month of said year each Member shall be personally obligated to pay, in the manner prescribed by Sections 5.06, 5.07 and 5.08 hereof, one twelfth (1/12th) of such Member's annual assessment. If the actual expenditures paid or provided for by the Board during said year shall be more or less than said estimated cash requirement, any net shortage or excess shall be applied as an

adjustment to the installments under the current year's estimate falling due after the amount of such net shortage or excess for the preceding year has been determined.

(c) Commencement of Assessments. The annual assessments provided for herein shall commence for the Dwellings or Lots within the Property upon the conveyance by the Declarant of the first Dwelling or Lot, except as otherwise provided in Section 5.03(d) hereof. The Board shall fix the amount of the annual assessment against each Dwelling or Lot at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. An Owner shall first be liable for payment of the assessment on the date of the conveyance of title to him, prorated through the end of the calendar year. The Association shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association setting forth whether the assessments on a specified Dwelling or Lot have been paid and, if not paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein.

(d) Assessment on Declarant-Owned Lots. With regard to any Lots owned by Declarant upon which Dwellings are under construction and title has not been conveyed by Declarant, no assessment shall be due or payable; provided, however, that in the event Declarant enters into a lease or installment contract for any Dwelling, then Declarant shall be responsible for the payment of assessments on such Dwelling on the same basis as any other Owner as provided in Section 5.06 hereof.

(e) Adjustments to Estimated Budget. If any "estimated cash requirement" proves inadequate for any reason (including nonpayment of any Member's assessment), the Board may at any time levy a further assessment. The Board shall serve notice of such further assessment on all Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Members shall be personally liable for and obligated to pay their respective adjusted monthly amount.

(f) Failure to Prepare Annual Budget. The failure or delay of the Board to prepare an annual or an adjusted estimated budget shall not constitute a waiver or release in any manner of any Member's obligation to pay his share of the estimated cash requirement as herein provided, whenever the same shall be determined and in the absence of any annual estimate or adjusted estimate, each Member shall continue to pay the monthly charge at the then existing monthly rate established for the previous period.

5.04 Special Assessments for Capital Improvements. In addition to the annual assessment authorized by Section 5.03, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of construction or purchase of a specified capital improvement upon or to the Common Area, and the necessary fixtures and personal property related thereto; provided, however, that, except for special assessments which shall not exceed in any one (1) year the sum of \$500.00 per assessed Dwelling or Lot, any such special assessment shall first be approved at a meeting of the Association Delegates by the affirmative votes of Association Delegates entitled to cast at least sixty-seven percent (67%) of all votes cast at a meeting called and held in accordance with the provisions of Section 5.05. The provisions of this Section 5.04 shall not limit the power of the Board, without such prior approval, to levy assessments to reconstruct, replace or restore any portion of the Common Area. The Board shall segregate and maintain a special reserve account (the "Master Fund") to be used solely to make

capital expenditures in connection with the Common Area. In addition, at the time the initial sale of each Dwelling is closed, the purchaser of the Dwelling shall pay to the Association an amount equal to an annual assessment to be deposited into an account (the "Master Reserve") to be applied and used for start-up costs and as a working capital fund in connection with the initial operation of Common Area and for future working capital needs. Such payment shall not be deemed a prepayment of the annual assessments. Notwithstanding anything contained herein to the contrary, the Declarant shall not be responsible for the payment of any special assessments or contributions to any Master Fund or Master Reserve. The Developer with regard to any portion of the Property shall have the same rights and obligations as the Declarant as contained in this Section 5.04 with regard to any Lots owned or controlled by such Developer.

5.05 Notice and Quorum. Written notice of any meeting called for the purpose of authorizing any special assessments requiring approval pursuant to Section 4.04 hereof shall be sent to all Association Delegates not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the opening of such meeting, the presence in person or by proxy of Association Delegates entitled to cast at least sixty percent (60%) of all the votes shall constitute a quorum; provided, that if Association Delegates entitled to cast sixty percent (60%) of all votes do not attend, a second meeting may be called with the same notice requirements as herein provided, except that the quorum therefor shall be reduced to Association Delegates entitled to cast thirty percent (30%) of all votes. For any other meeting of Association Delegates, the presence in person or by proxy of Association Delegates entitled to cast at least fifty one percent (51%) of all the votes shall constitute a quorum.

5.06 Allocation of Assessments Among Members. Both annual and special assessments shall be allocated among the Members by apportioning to each Member an amount equal to that proportion of the total assessment which the number of Unit Memberships held by such Member bears to the total number of Unit Memberships in the Association. Each Neighborhood Association shall be responsible for collecting on behalf of the Association all assessments due the Association from Members whose Dwellings or Lots are subject to assessment by such Neighborhood Association. In the event no Neighborhood Association is in existence, then the payment of such assessments shall be made directly by each Member to the Association.

5.07 Payment of Assessments.

(a) Assessments allocated under Section 5.06 hereof to Members shall be added to the assessment made or levied by a Neighborhood Association against each such Member for the common expenses and user charges as provided in the applicable Neighborhood Declaration. Each such Member shall pay the assessment levied by the Association directly to the Neighborhood Association and shall also pay to the Association any assessment levied by the Neighborhood Association as provided in the applicable Neighborhood Declaration. All such funds collected by the Neighborhood Association on behalf of the Association shall be remitted to the Association.

(b) Upon written demand of an Owner or a Mortgagee at any time, the Association shall furnish such Owner or Mortgagee a written dated certificate signed by an officer of the Association setting forth whether there are any then unpaid annual or special assessments levied against such Owner's Dwelling or Lot. Such certificate shall be conclusive evidence of payment of any annual or special assessments theretofore levied and not stated therein as unpaid.

(c) The Declarant or Board may provide that the assessments may be paid in full on the first day of the calendar year.

5.08 Nonpayment of Assessments.

(a) Any installment of an assessment which is not paid to the Association within 15 days after the due date shall be delinquent and a late charge of \$15.00 shall be added to it. The assessment shall bear interest from the date of delinquency at the rate of six (6%) percent per annum and the Association may bring an action against the Member personally obligated to pay assessments and recover the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in such action; and the Association may enforce and foreclose any lien it has or which may exist for its benefit.

(b) No Member shall be relieved of personal liability for the assessments and for other amounts due as provided herein by nonuse of the Common Area or abandonment or transfer of ownership of his Dwelling or Lot, provided that upon transfer of ownership of a Dwelling or Lot, the transferor shall not be responsible for assessments accruing after the date of transfer.

(c) The lien of the assessments provided for in Section 5.01 hereof shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the earlier of the date the holder of said mortgage takes possession of the Dwelling or Lot, accepts a conveyance of any interest in the Dwelling or Lot or has a receiver appointed in a suit to foreclose his lien. Such taking of possession, conveyance or appointment shall not relieve the holder of said mortgage from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments. Except for the foregoing, the lien for assessments provided for in Section 5.01 shall not be affected by any sale or transfer of a Dwelling or Lot.

ARTICLE VI
COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

All Owners shall maintain, occupy and use their Lots, Dwellings and the Common Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members.

The Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VII
COMMITTEES

7.01 Board Committees. The Board, by resolution adopted by a majority of the directors in office, may designate one (1) or more committees, each of which shall consist of one (1) or more directors; said committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

7.02 Special Committees. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in the Board's judgment the best interests of the Association shall be served by such removal.

7.03 Term. Each member of the committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

7.04 Chairman. One (1) member of each committee shall be appointed chairman.

7.05 Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

7.06 Quorum. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7.07 Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE XIII **INTERIM PROCEDURE**

Until the initial meeting of the Members, the Declarant (or it designee) may appoint the Board which shall have the same powers and authority as given to the Board generally.

ARTICLE IX **AMENDMENTS**

These By-Laws may be amended or modified from time to time by an instrument signed by those Members entitled to cast fifty-one percent (51%) of the total votes in the Association. Such amendments shall be recorded in the Office of the Recorder of Will County, Indiana.

ARTICLE X **DEFINITION OF TERMS**

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to which these By-Laws are attached to the extent such terms are defined therein.

Exhibit D

Legal Description

Outlot B, Outlot C, & Lot 30, a plat of correction of Auburn Meadow Subdivision Phase I as recorded October 23, 2001, Book 90, Page 98, in the office of the Recorder, Lake County, Indiana.

**RESOLUTION ADOPTING AMENDMENT TO THE BY-LAWS OF
AUBURN MEADOW COMMUNITY ASSOCIATION**

majority

Be it resolved: By ~~unanimous~~ ^{majority} consent of the Association Delegates as such is defined in Paragraph 3.02 of the By-Laws of the Auburn Meadow Communication Association, it is hereby approved and adopted an amendment to Paragraph 3.05 of the By-Laws of the Auburn Meadow Community Association and such paragraph shall now read as follows:

3.05 Board of Directors.

- (a) The Association shall be governed by its Board of Directors ("Board") comprised of nine (9) persons duly appointed or elected as provided herein and in the articles of incorporation and By-Laws of the Association. The initial Board shall be compromised of three (3) persons duly appointed by the Declarant pursuant to its rights under Section 3.06 hereof, until such time as the initial meeting to elect the first Board occurs.

So agreed and approved this 12th day of December, 2005.

Association Delegate:

Janet S. Schomas
Signature

Janet S. Schomas
Printed Name

1246 Poppyfield Place
Address

Kenneth A. Smith
Signature

KENNETH A. SMITH
Printed Name

1276 POPPYFIELD PLACE
Address

Elizabeth A. Callas
Signature

ELIZABETH A CALLAS
Printed Name

1216 Blue Bell Trail
Address

Edward Zavala
Signature

EDUARDO ZAVALA
Printed Name

1295 LILY LN
Address

Glenn P. Comiskey
Signature

Glenn P. Comiskey
Printed Name

1123 Auburn Meadow Ln
Address

Signature

Printed Name

Address