

BY-LAWS

COVINGTON RESERVE COMMUNITY ASSOCIATION, INC. A NOT-FOR-PROFIT CORPORATION DESIGNED TO FACILITATE THE MANAGEMENT OF MAINTENANCE, ACTIVITIES, AND USE OF COMMON AREAS IN COVINGTON RESERVE, A SUBDIVISION IN ABOITE TOWNSHIP, ALLEN COUNTY, INDIANA WITH PROPOSED REVISIONS AS OF JULY 13, 2020.

ARTICLE I Name and Address

Section 1. The name of the Corporation shall be "Covington Reserve Community Association, Inc.", (hereinafter referred to as the "Association").

Section 2. The post office address of the Association shall be the address designated as the principle office address on file with the Indiana Secretary of State.

ARTICLE II Purposes and Powers

The purposes and powers of the Association and the limitations thereon shall be those expressed in Article II of the Articles of Incorporation. See attachment A.

ARTICLE III Membership

Section 1. Members. The members of the Association shall be the title owners of Lots within Covington Reserve. When more than one person holds an interest in any Lot, all such persons will be members. The vote for each Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

Section 2. Annual Meeting. The annual meeting of the members of the Association shall be held at an address designated by the Board of Directors on the 2nd Wednesday in September of each year at 7:00 p.m., and shall be designated in the Notice or Waiver of such meeting. At the Annual Meeting, the Directors for the ensuing year shall be elected, the officers of the Association shall present their annual reports, the annual budget for the Association shall be adopted, and all such other business shall be transacted as may properly come before the meeting. The Secretary of the Association or a designated agent of the Secretary of the Association shall cause notice of the Annual Meeting to be given to each member of record of the Association entitled to vote by depositing the same in the United States mail, postage prepaid, in an envelope addressed to the latest address of such member as the same appears upon the records of the Association, such notice to be mailed at least ten (10) days before the date of such meeting.

Section 3. Conduct of Annual Meeting. The Chairman of the annual meeting shall be the President of the Association or in the President's absence or unavailability, the Vice President of the Association. The President or in the absence of the President or unavailability, the Vice President shall call the meeting to order at the duly designated time, and business will be conducted in the following order:

(A) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any regular or special meeting of the Members held subsequent thereto, unless such reading is waived by a Majority of the Vote.

(B) Treasurer's Report. The Treasurer shall report to the Members concerning the financial condition of the Association and answer relevant questions of the Members concerning the expenses and financial report for the current year and the budget for the next fiscal year.

(C) Budget. The budget for the following calendar year shall be presented to and approved by the Members.

(D) Election of Board of Directors. Nominations for the Board of Directors may be made by a Member from those Members of the Association eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least ten (10) days prior to the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Member may cast the total number of votes to which he or she is entitled for as many candidates as are to be elected; however, no Member shall be entitled to accumulate his or her votes. Those candidates receiving the highest number of votes shall be elected.

(E) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association or a designated agent of the Secretary of the Association at least ten (10) days prior to the date of the meeting provided, however, that such written request submitted to the Secretary of the Association or a designated agent of the Secretary of the Association shall be permitted less than (10) days prior to the date of the meeting if agreed by a Majority of the Board.

(F) Committee Reports. Reports of committees designated to supervise and advise on the respective segments of maintenance and operations described in the Plat Covenants or assigned by the Board of Directors shall be presented.

(G) Adjournment. Upon completion of all business before the Association, the President or in the President's absence or unavailability, the Vice President of the Association, upon Motion of any Member may adjourn the meeting.

Section 4. Special Meetings. Special meetings of the members may be held at an address in Allen County, Indiana, reasonably convenient for members to attend, as may be designated in the Notice or Waiver of Notice of such meeting. Special meetings may be called in writing by the President, by a majority of the Board of Directors or by written petition signed by the holders of not less than ten percent (10%) of the memberships entitled to vote. The Secretary of the Association or a designated agent of

the Secretary of the Association shall cause notice of the holding of any such special meeting to be given to each member of record of the Association entitled to vote upon the business to be transacted at the meeting by depositing in the United States mail, postage prepaid, in an envelope addressed to the latest address of such member as the same appears upon the books of the association, such notice to be mailed at least ten (10) days before the date of such meeting.

Section 5. Addresses of Members. The address of each member appearing upon the tax records of the Allen County, Indiana Treasurer's Office shall be deemed to be the valid address for all communication between the Association and each member and all required communication and notices directed to a member of the Association shall be deemed valid when sent to said address.

Section 6. Waiver of Notice. Notice of any meeting of members may be waived in writing by any member if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Each member who has, in the manner provided above, waived notice of a member's meeting, or who personally attends a member's meeting, 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 corporate action may be taken.

Section 7. Quorum. At any meeting of the members, the holders of a majority of the votes entitled to cast who are present in person or represented by proxy shall constitute a quorum for the transaction of business. If the holders of the number of votes necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place fixed for such meeting, without notice other than announcement at the meeting, until the holders of the number of votes 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 8. Voting. No membership shall be voted at any time when any assessment with respect to the Lot for which such membership is held is past due and unpaid. Members in good standing shall vote either in person or by proxy appointed in writing and subscribed by such member or his/her duly authorized attorney-in-fact, or appointed by electronic notification sent by such member or attorney-in-fact and delivered to the Secretary of the Association or a designated agent of the Secretary at or before the time of the holding of such meeting. No such proxy shall be valid after one hundred eighty days (180) from the date of the meeting for which the proxy was intended. Memberships held by fiduciaries may be voted by the fiduciary in such manner as the instrument or order appointing such fiduciary may direct.

Section 9. Voting List. The Secretary of the Association or a designated agent of the Secretary shall keep at all times a complete and accurate list of the members entitled by the Articles of Incorporation to vote at such election, arranged in alphabetical order, with the address and number of the memberships so entitled to vote held by each, which list shall be on file at the principal office of the Association and subject to inspection by any member. Such list may be inspected by any member for any proper purpose at any reasonable time.

Section 10. Member Action by Consent in Lieu of Meeting. Any action required or permitted to be taken at any meeting of members 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 all

members entitled to vote and such written consent is filed with the minutes of the proceedings of the members.

ARTICLE IV **Board of Directors**

Section 1. Number. The business of the Association shall be governed and managed by the Board of Directors. The present number of Directors of the Association is five (5). The Board of Directors of the Association may be increased or decreased to any number not less than three (3) nor more than five (5) by amendment of this Section, which amendment shall state the new number of Directors, but no decrease shall shorten the term of an incumbent Director. Directors shall be elected at the annual meeting of the members or at a special meeting called for that purpose. Only one Director will be permitted to serve per household at any one time. Individuals seeking nomination as a Director must notify the Secretary of the Association or a designated agent of the Secretary prior to ten (10) days of the annual meeting. Subject to termination and removal as permitted by law as well as the covenants and by-laws of the Association, each director elected at an annual meeting shall be elected to serve for a two (2) year term and until his/her successor shall be elected and qualified and each Director elected at a special meeting shall be elected for the period ending with the next annual meeting and until his/her successor shall be elected and qualified.

Section 3. Vacancies. Any director may resign his/her office at any time by delivering his/her resignation in writing to the Board. Any vacancy occurring in the Board of Directors caused by resignation, death, or other incapacity, or increase in the number of Directors, shall be filled by a majority vote of the remaining Directors of the Board until the next annual meeting of the members.

Section 4. Duties of the Board of Directors. The Board of Directors shall perform or cause to be performed, when and to the extent deemed necessary or appropriate in the Board's business judgment, the following:

- (A) Protection, repair and replacement of the Common Areas, unless the same are otherwise the responsibility or duty of the Owners; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Association, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
- (B) Procuring of utilities;
- (C) Maintaining and repairing the Common Areas;
- (D) Snow removal from the streets, driveway, sidewalks of members even if provided by the municipality;
- (E) Assessment and collection from the Owners pro rata share of Common Expenses, Special Assessments and any other monies that may be due and owing to the Association.

(F) Preparation of the annual budget by the Board of Directors a copy of which will be mailed or delivered to each Owner at the same time the notice of the annual meeting is mailed or delivered;

Section 4. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonably necessary or appropriate to accomplish the performance of its duties. These powers include, but are not limited to, the power:

(A) To employ a reputable and recognized professional Property Management Company to assist the Board in performing its duties; provided, however, any management agreement shall be terminable for cause upon thirty (30) days written notice. Any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods;

B To employ legal counsel, architects, engineers, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary to consult with the current Property Management Company or desirable in connection with the business and affairs of the Association;

C To consult, designate, discharge and remove such personnel as in the judgment of the Board of Directors and Property Management Company may be necessary for the maintenance, upkeep, repair and replacement of the Common Area, and for the Grounds Keeping Services for the Lots;

D To include the costs of all of the above and foregoing as Common Expenses of the Association and to pay all of such costs therefrom;

E To open, close and maintain a bank account or bank accounts in the name of the Association and to designate no less than two (2) Board of Directors signatures;

F To adopt, revise, amend By-laws with respect to use, occupancy, operation, and enjoyment of the Lot and the Common Areas provided that the Board shall give advance written notice to the members of any amendment, to the By-laws.

Section 5. Removal of Directors. A director may be removed with or without cause by the vote of the majority of votes entitled to cast at a special meeting of members

Section 6. Regular Meetings. A regular meeting of the Board of Directors shall be held at the place and immediately following the annual meeting of the members for the purpose of election of officers and such other business as may come before it. Other meetings may be held at the place reasonably convenient for Directors to attend.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be held at any location within Allen County, Indiana, reasonably convenient for Directors to attend whenever called by the President or the Secretary of the Association or by any member of the Board. At least seventy-two (72) hours' notice of such meeting specifying the time, place and purpose, shall be given to each Director either personally or by email. Notice of the time, place and purpose of the holding of any such special meeting may be

waived in writing by any Director if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Attendance at any meeting in person by any Director shall constitute a waiver of the notice of such meeting. Whenever all of the Directors shall meet, such meeting shall be valid for all purposes and at such meeting any corporate action may be taken.

Section 8. Quorum and Voting. A majority of the actual number of Directors elected and qualified from time to time shall be necessary to constitute a quorum for the transaction of any business (excepting the filling of vacancies, in which case a quorum shall be a majority of the remaining directors) and 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, unless the act of a greater number is required by the Indiana Nonprofit Corporation Act of 1991, the Articles of Incorporation or other provisions of these By-Laws.

Section 9. Directors or Committee Action by Consent in Lieu of Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if prior to such action a written consent to such action is signed by all of the members of the Board of Directors or of such committee and such written consent is filed with the minutes of the proceeding of the Board of Directors or committee. Action taken without a meeting maybe conducted electronically via email or facsimile or by letter, a copy of which shall be filed with the minutes of the proceeding.

ARTICLE V

Officers

Section 1. Officers. The officers of the Association shall consist of a President, a Vice President a Treasurer, Secretary and Member at Large at the first meeting thereof immediately following the annual meeting of the members. They shall hold office, subject to the removal as provided by law, the by-laws of the Association and the covenants of the Association, until their successors are elected and qualified. One person may hold more than one (1) office, except that the offices of the President and Secretary shall not be held by the same person.

Section 2. Removal. Any Board of Directors of the Association may be removed by the Board of Directors whenever the Board of Directors, in its judgment, believes that the best interests of the Association will be served by such removal. Such removal will be without prejudice to the contract rights, if any, of the persons removed.

Section 3. Compensation. Board of Directors shall not be entitled to compensation of any kind whatsoever for their services.

Section 4. Duties.

(A) President. The President shall be the chief executive officer of the Association and shall have the powers and perform the duties usually incident to that office. He shall preside at all meetings of the members and of the Board of Directors. He

or She shall submit to the Board of Directors, at least ten (10) days prior to the annual meeting of the members, an annual report of the operation of the Association during the preceding fiscal year, complete detailed statements of all income and expenditures and a balance sheet showing the financial condition of the Association at the close of the fiscal year. The President is authorized to sign, on behalf of the Association, contracts and other instruments in writing. The Secretary shall thereupon attest any such document requiring such attestation.

(B) Vice-President. In the absence or inability of the President to act, his duties shall be performed, and his powers maybe exercised by the Vice President. The Vice President shall perform such other duties as shall be delegated to him by the Board of Directors.

(C) Secretary. The Secretary shall keep or cause to be kept a full, true and complete record of all of the meetings of the members and of the Board of Directors and shall have charge of the Minute Book of the Association and of all its other books and documents (except the books of account). He shall perform such other duties as may be required by the Board of Directors or the President.

(D) Treasurer. The Treasurer shall have custody of the funds and other personal property of the Association and shall keep or cause to be kept, correct and accurate books of account and shall also deposit, or see to the deposit of, the funds of the Association in a depository to be approved by the Board of Directors. He shall keep full and accurate account of all assets, liabilities, commitments, receipts, disbursements and other financial transactions of the Association in books belonging to the Association; shall (if directed by the Board of Directors) cause regular audits of such books and records to be made; shall see that all expenditures are made in accordance with procedures duly established, from time to time, by the Association; shall render financial statements at all regular meetings of the Board of Directors, and a full financial report at the annual meeting of members, if called upon so to do; and, shall perform such other duties as may, from time to time, be delegated to him by the Board of Directors or the President.

The Treasurer may permit the Managing Agent, if any, to handle and account for annual monies and other assets of the Association to the extent appropriate as part of its duties. An audit of the Association's account shall be performed by an outside source and performed before the Annual Meeting. Every third year commencing no later than 2023, an audit of any and all bank accounts or assets of the Association shall be conducted and completed prior to the 2023 annual meeting of the Association by a certified public accountant as selected by the Board of Directors.

ARTICLE VI

Indemnification Section 1. Indemnification of Directors. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director of the Association shall be indemnified by the Association as provided in the Indiana Nonprofit Corporation Act of 1991, as it now exists or as hereinafter amended.

ARTICLE VII
Special Assessments

Section 1. The annual budget as adopted shall, based on the estimated cash requirements for the expenses of the Association, contain a proposed assessment against each Lot. Immediately following the adoption of the annual budget each member shall be given written notice of the assessment against his/her Lot.

ARTICLE VII
Funds

Section 1. Depository. The Funds of the Association shall be deposited in a depository or depositories to be selected by the Board of Directors of the Association.

Section 2. Withdrawal of Funds. The Funds of the Association may be withdrawn and disbursed by the President, Treasurer, or Property Management Company Representative.

ARTICLE VIII
Amendment

These By-Laws shall be amended by the Board of Directors, and / or a Designated Special Committee by the affirmative votes of a majority of the whole Board, at any regular or special meeting notice of which contains the proposed amendment or a digest thereof, or at any meeting, regular or special, at which all Directors are present. The Business of the Association shall be governed by the Covenants, By-laws, Indiana Guidelines for Homeowners Association or Roberts Rule of Order.