

**AMENDED AND RESTATED BYLAWS  
PALMIRA LAKES HOMEOWNERS ASSOCIATION, INC.**

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The following Amended and Restated Bylaws correctly set forth the provisions of these Bylaws of Palmira Lakes Homeowners Association, Inc. and were duly adopted pursuant to the Indiana Homeowners Association Act (IC 32-25.5) and the Indiana Non-Profit Corporation Act (IC 23-17).

**ARTICLE I: DEFINITIONS AND ABBREVIATIONS**

All terms which are defined in the Declaration of Covenants, Conditions and Restrictions of Palmira Lakes Homeowners Association (hereinafter called the “Covenants,” and incorporated herein by reference) shall have the same meaning herein.

- A. “**ACC**” shall mean and refer to the Architectural Control Committee.
- B. “**Acclamation**” shall mean and refer to a verbal vote, that does not use a ballot in an uncontested election.
- C. “**Association**” shall mean and refer to the entity organized under the name of Palmira Lakes Homeowners Association, Inc.
- D. “**Annual Assessment**” shall mean and refer to the “Owners” mandatory individual share of the anticipated annual operating expenses of the “Association's” fiscal year as reflected in the Annual Budget adopted by the “Board.”
- E. “**Board**” shall mean and refer to the Board of Directors of the “Association.”
- F. “**Common Areas**” shall mean and refer to those areas of land designated as Common Areas on any recorded Plat of the “Palmira Lakes Subdivision;” all areas designated as water impoundment areas; and all other real property owned by the “Association.”
- G. “**Contested Election**” shall mean and refer to any “Board” election where there are more “Members” running than there are open “Board” positions.
- H. “**Covenants**” shall mean and refer to the “Declaration of Covenants, Conditions, and Restrictions of the Palmira Lakes Homeowners Association.
- I. “**Good Standing**” shall mean and refer to a “Member” who is more than six (6) months late in payment of any Annual or Special Assessment, fees, fines, or judgments, who has none of their membership privileges suspended.
- J. “**Governing Documents**” shall mean and refer to the Bylaws, the Articles of Incorporation, the “Covenants,” and Rules and Regulations, inclusive.
- K. “**Indiana Homeowners Association Act**” shall mean and refer to the law that regulates homeowner associations in Indiana (IC 32-255). The act covers topics such as budgets, borrowing money, and member voting rights.

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- L. **“Indiana Non-Profit Corporation Act 1991”** shall mean and refer to the law that regulates nonprofit corporations in Indiana (IC 23-17).
- M. **“Lot”** shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the “Palmira Lakes Subdivision.”
- N. **“Majority”** shall mean and refer to a simple majority (51%), unless otherwise specified herein or in the “Covenants.”
- O. **“Managing Agent”** shall refer to a person or company that manages the community's assets and day-to-day operations.
- P. **“Member”** shall mean and refer to all “Owners” of a “Lot” in the “Palmira Lakes Subdivision.”
- Q. **“Owner”** shall mean and refer to every person who has purchased a “Lot” and shall have the same meaning as a “Lot” Owner.
- R. **“Palmira Lakes”** shall mean the community concept of the Palmira Lakes Subdivision, inclusive of Sections one (1) through four (4).
- S. **“Quorum”** shall mean and refer to the minimum number of “Members” or Directors required to be in attendance at a meeting of the “Association” or the “Board” before business can be transacted.
- T. **“Special Assessment”** shall mean and refer to a fee charged to cover unexpected expenses. These fees are usually one-time charges and are different from the regular annual dues that cover day-to-day expenses.
- U. **“Uncontested Election”** shall mean and refer to any “Board” election where the number of “Members” running is equal to or less than the number of open positions.
- V. **“Voting Member”** shall mean and refer to only one “Member” per “Lot” in “Good Standing” and entitled to vote.

**ARTICLE II: NAME AND PURPOSE**

**Section 1. Name.** Palmira Lakes Homeowners Association, Inc. (hereinafter referred to as the “Association”) is a non-profit corporation organized under the “Indiana Homeowners Association Act.”

**Section 2. Address.** The post office address of the “Association” is 10214 Chestnut Plaza Drive, #220, Fort Wayne, Indiana 46814.

**Section 3. Purposes and Powers.** The purpose for which the “Association” is formed is to govern the property situated in Allen County, State of Indiana, which is known as “Palmira

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Lakes.” The purposes and powers of the “Association” and the limitations thereon shall be those expressed in Article VI of the Articles of Incorporation, the “Covenants” and applicable laws.

**Section 4. Character of the Association.** This “Association” is not organized for profit. No “Member,” “Director,” Officer, or person for whom the “Association” may receive any property or funds shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the “Association” be paid a salary or compensation to, or distributed to, or insure to the benefits of any of the “Board,” Officers or “Members” except upon a dissolution of the “Association,” provided, however any “Member, Manager, Director, or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with administration of the affairs of the “Association.”

**Section 5. Compliance.** These Bylaws are intended to comply with the requirements of the “Indiana Non-Profit Corporation Act 1991,” the “Indiana Homeowners Association Act,” the Articles of Incorporation, and the “Covenants.” If any provision of these Bylaws conflicts with the provisions of such Acts, Articles, or “Covenants,” the provisions of such Acts, Articles, or “Covenants” shall apply.

**Section 6. Owners Subject to Bylaws.** All present or future “Owners,” tenants, or any other person that might use in any manner the “Common Areas” are subject to the conditions and regulations outlined in these Bylaws. The mere acquisition or rental of any of the “Lots” or the mere act of occupancy of any “Lot” shall signify that these Bylaws are accepted, ratified, and shall be complied with.

**ARTICLE III: MEMBERSHIP**

**Section 1. Members.** Ownership of a “Lot” within “Palmira Lakes” is required in order to qualify for membership in the “Association.” Such membership shall terminate without any “Association” action whenever such person ceases to be an “Owner,” but such termination shall not relieve or release any such former “Owner” from any liability or obligation to the “Association,” nor impair any rights or remedies which the “Association” may have against such former “Owners,” arising out of or in any way connected with ownership and membership in the “Association.”

**Section 2. Membership Rights And Limitations.** Under Indiana law, “Members” have the right to access and review the “Association’s” “Governing Documents” and financial records; to attend and participate in meetings; to vote on key community matters; and to use the “Common Areas.” The limitations of “Owner’s” rights are listed in the “Association’s” “Governing Documents.”

**Section 3. Membership Duties.** “Members” have a duty to pay “Annual Assessments” and any “Special Assessments” on the due date; to adhere to the community’s “Governing Documents;” and to maintain their property in good condition and repair as stipulated in Article VIII, Section 3 of the “Covenants.”

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**Section 4. Member Addresses.** The address of each “Member” appearing upon the records of the “Association” shall be deemed to be the latest address that has been furnished in writing to the “Association” by such “Member.”

**ARTICLE IV: MEMBER VOTING**

**Section 1. Voting Rights.** All “Members,” who are in “Good Standing” shall be entitled to vote on all “Association” matters which require a “Member” vote as provided by these Bylaws, the Articles of Incorporation, “Covenants,” and applicable law. 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 for more than 6 months. A “Member” shall vote either in person or by proxy, or mail-in ballot (if offered).

**Section 2. Member Voting List.** Except to the extent performed by any “Managing Agent,” the Secretary of the “Association” shall keep at all times a complete and accurate list of the “Members” entitled by the Articles of Incorporation, these Bylaws and the “Covenants” to vote at such election, arranged in alphabetical order, with the address and number of memberships so entitled to vote held by each, which list shall be on file at the principal office of the “Association” or any “Managing Agent” and subject to inspection by any “Member.” Such list may be inspected by any “Member” for any proper purpose at any reasonable time.

**Section 3. Member Proxies.** The vote allocated to an “Owner” may be cast pursuant to a proxy duly executed by an “Owner” in writing and subscribed by such “Member” or their duly authorized attorney-in-fact and delivered to the Secretary of the “Association,” or any “Managing Agent,” at or before the time of the holding of such meeting. No such proxy shall be valid after eleven (11) months from the date of its execution unless a longer time is expressly provided therein. Memberships held by fiduciaries may be voted by the fiduciary in such manner as the instrument or order appointing such fiduciary may direct.

**Section 4. Majority of Members.** As used in these Bylaws, the term “Majority of Members” shall mean at least fifty-one percent (51%) of the “Owners” at a meeting in which there is a quorum, present and entitled to vote, in person or by proxy unless otherwise specified in these Bylaws, the Articles of Incorporation, or “Covenants.”

**Section 5. Member Voting.** “Members” shall be entitled to one (1) vote for each “Lot” in which they hold the interest required for membership. When more than one (1) person holds such interest in any “Lot,” all such persons shall be “Members,” and the vote for such “Lot” shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such “Lot.”

**ARTICLE V: MEETINGS OF THE MEMBERS**

**Section 1. Place of Meetings.** Any meetings of the “Association” shall be held at such place, within Allen County, Indiana, reasonably convenient for “Members” to attend as the “Board” may determine, as may be designated in the Notice or Waiver of Notice of such meeting.

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**Section 2. Annual Meeting.** The Annual Meeting of the “Members” of the “Association” shall be held in the fourth quarter of each year at 6:00 p.m., local time, or at such time as may be fixed by the “Board” and designated in the Notice or Waiver of Notice of such meeting. At the Annual Meeting, any open “Board” positions shall be filled; 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.

**Section 3. Special Meetings.** Special meetings may be called in writing by the President, by a simple majority (51%) of the “Board,” or by written petition signed by the holders of not less than ten percent (10%) of the membership entitled to vote. The membership shall submit, in writing, to the “Association,” one written demand describing the purpose for which the meeting is to be held; and is signed by the “Members” requesting the special meeting. Upon receipt of the written demand, the “Board” must send out notice of the date, time and place for a special meeting not more than thirty (30) days after the date the “Board” receives a valid written demand for the special meeting.

**Section 4. Annual and Special Meeting Notice.** Except to the extent performed by any “Managing Agent,” the Secretary of the “Association” shall cause notice of the Annual Meeting or Special 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 5. Mail-In Ballot Meeting.** Member meetings by mail-in ballot may be called at any time by the President or by a simple majority (51%) of the “Board.”

A secret ballot using a double envelope system may be used. A printed copy of the proposed issue and a separate voting slip that provides the opportunity to vote for or against the issue shall be mailed to all “Members” in “Good Standing.” The voting slip shall be sealed and enclosed in an envelope and then sealed once again in another envelope addressed to the Secretary, or to one of the Directors, so that the inner envelope provides no information regarding the identity of the voting party and shall not be opened until the votes are counted. The outside envelope must have the name, “Lot” number, and signature of the voter on it to be valid.

Action by written ballot shall only occur when at least forty percent (40%) of the ballots are returned and more than fifty percent (50%) of the returned ballots vote in favor of the action. The request for action by written ballot shall indicate the number of responses required, the percentage of approvals necessary, the time by which the ballot must be returned to count and be accompanied by information sufficient to allow voters to reach an informed decision on the issue.

Written ballots are not revocable. Action taken by written ballot shall have the same effect as action taken at a meeting of the “Members” and may be described as such in any document.

**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

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the meeting is called and the 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 or purposes for which the meeting is called shall constitute a waiver of notice of such meeting. Each “Member” who has in the manner provided above, waived notice of a “Members” meeting, or who personally attends a “Members” meeting or is represented thereat by a proxy to appear by an instrument of proxy complying with the requirements set forth above, 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. Member Quorum.** Subject to the pertinent “Quorum” requirements as set forth in Article VII, Section 3 of the “Covenants,” at any meeting of the “Members,” the holders of thirty percent (30%) 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, the holders of a simple majority (51%) of the votes present in person or by proxy may adjourn from time to time, 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. 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 “Members.”

**Section 9. Order of Business.** The order of business at all meetings of the “Members” shall be determined by the “Board.”

**ARTICLE VI: BOARD OF DIRECTORS**

**Section 1. Association Responsibilities.** The property, business, and affairs of the “Association” shall be managed by the “Board” and all corporate powers shall be exercised by or under the direction of the “Board.”

**Section 2. No Waiver of Rights.** The omission or failure of the “Association” or any “Member” to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the “Covenants,” the Articles of Incorporation, these Bylaws or any rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the “Board,” the “Association” or any “Member” shall have the right to enforce the same thereafter.

**Section 3. Managing Agent.** The “Board” may employ for the “Association” a “Managing Agent,” to perform such duties and services as it shall authorize. The “Board” may delegate any of the powers and duties granted to it, but, notwithstanding such delegation, shall not be relieved of its responsibility under the “Governing Documents.” Any contract entered into with a

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“Managing Agent” must be limited to a term not exceeding one (1) year, and must provide that it is cancellable by the “Association” without cause, upon sixty (60) days written notice, and with cause at any time, provided however, no such contract shall be canceled prior to negotiation of a new contract which shall become operative immediately upon the cancellation of the preceding contract.

**Section 4. Number of Directors.** The number of Directors of the “Association” may be increased or decreased to any number not less than three (3) and not more than seven (7) by an affirmative vote of a simple majority (51%) of Directors in person or by proxy at any Annual Meeting, but such changes shall not be effective until the next fiscal year. No decrease shall shorten the term of an incumbent Director.

**Section 5. Director Qualifications.** Directors shall:

- a. be “Members” of the “Association;”
- b. be “Members” in “Good Standing;”
- c. be committed to becoming thoroughly familiar and complying with all stipulations in the “Governing Documents” of the “Association;”
- d. demonstrate a commitment to fulfilling the responsibilities of the role;
- e. have a basic knowledge of relevant laws and regulations related to HOAs;
- f. have high ethical standards, including honesty and transparency;
- g. possess some key skills (such as leadership, communication, and financial management abilities);
- h. not be a Co-Owner with another Director (no more than one co-owner of a given “Lot” can serve on the “Board” concurrently);
- i. not miss more than four (4) unexcused “Association” Meetings per calendar year;
- j. not be a party in any legal proceeding against the “Association” or its Officers or Directors; and
- k. not be a convicted felon.

**Section 6. Nominations for Directors.** Nominations for election to the “Board” may be made in writing by the existing members of the “Board,” by self-nomination, by nomination by a “Member” in “Good Standing” or from the floor at the appropriate time set forth on the agenda at a “Member” Meeting. Prior consent to run is required from the nominee. Any written nominations submitted no later than ten (10) days prior to the Annual Meeting shall be listed on the ballot. Nominations made from the floor at the Annual Meeting shall be added to the ballot by the “Members.”

**Section 7. Election of Directors.** The “Members” shall elect the same number of Directors as terms are then expiring.

- a. **“Uncontested Elections”** shall be by an affirmative vote of acclamation (a simple majority (51%) of the “Owners” voting) at the Annual Meeting of the “Members” or at a special meeting called for that purpose at which a “Quorum” of “Owners” is in attendance either in person or by proxy.

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- b. **“Contested Elections”** shall be by secret written ballot. The ballots shall be counted by a neutral third party or by an “Owner” in “Good Standing” who is not a candidate who attends the meeting at which the vote is held and who is selected at random from a pool of two or more such “Owners.” At such an election, the “Members” or their proxies may cast, with respect to each vacancy, one vote per open position. Cumulative voting is not permitted. The persons receiving the largest number of votes shall be elected to the open positions.

**Section 8. Directors Term of Office.** The terms of office of the Directors shall be staggered so that no more than two terms expire at one time to provide continuity on the “Board.” Where there are different term lengths to be filled, the person receiving the greater number of votes shall fill the longer term. Subject to termination and removal as permitted by law, each Director elected at an annual meeting shall be elected to serve for two (2) years and until his/her successor shall be elected and qualified. Directors elected at a special meeting shall be elected for the remainder of the term of the Director they replace and until his/her successor shall be elected and qualified.

**Section 9. Resignation of Directors.** Any Director may resign their office at any time by delivering their resignation in writing to the President of the “Association,” and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

**Section 10. Removal of Directors.** A Director may be removed with or without cause by the vote of a simple majority (51%) of all votes entitled to cast at a special meeting of the “Members” called for that purpose. Election or appointment of a Director does not of itself create contract rights.

**Section 11. Director Vacancies.** Any vacancy occurring on the “Board” may be filled by a simple majority (51%) vote of the remaining Directors until the next annual meeting of the “Members” or, at the discretion of the “Board,” such vacancy may be filled by the vote of the “Members” at a special meeting called for that purpose.

**Section 12. Director Compensation.** Directors shall not be entitled to compensation for their services. However, any Director may be reimbursed for reasonable expenses incurred in the performance of their duties.

**Section 13. Board Education.** With prior approval, members of the “Board” may avail themselves of reasonable educational opportunities and resources that are provided locally, which will assist them in fulfilling their fiduciary duties to the “Association.” The course content of any educational meeting or seminar shall be specific to Indiana and must reference applicable provisions of the “Indiana Homeowners Association Act” or the “Indiana Non-Profit Corporation Act.” All reasonable expenses incurred by the “Association” by reason or arising out of or in connection with the foregoing shall be treated and handled by the “Association” as a common expense of the “Association.”

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**ARTICLE VII: POWERS AND DUTIES OF THE BOARD**

**Section 1. Board Powers and Duties.** The “Board” shall have all the powers and duties of a nonprofit corporation that are necessary for the administration of the affairs of the “Association” and for the operation and maintenance of the “Association.” The “Board” may do all such acts and things as are not prohibited by law, the Articles of Incorporation, these Bylaws, or the “Covenants.” Specific powers and duties are provided in Article VIII, of the “Covenants.”

**Section 2. Emergency Powers.**

- a. **Definition of Emergency.** An emergency is defined as any situation that requires immediate action to protect the safety of “Members” or the property of the “Association.”
- b. **Emergency Meetings.** The “Board” may hold emergency meetings with reduced notice requirements to address urgent matters.
- c. **Temporary Authority.** During emergencies, the “Board” may temporarily delegate authority to Officers or committees to act on its behalf.
- d. **Spending Authorization.** The “Board” may authorize emergency expenditures up to a specified limit without prior “Member” approval.
- e. **Reporting Requirements.** All emergency actions must be documented and reported to the “Members” at the next regular meeting.

**Section 3. Rules and Regulations.** The “Board” shall have the power to adopt and publish reasonable rules and regulations and establish penalties for the infraction thereof, unless otherwise precluded by the “Covenants,” or any pertinent law or regulation. A rule or regulation shall not be in conflict with the “Covenants,” these Bylaws, or any pertinent law or regulation. A copy of such rules and regulations shall be forwarded to “Members” either by mail or email upon the adoption thereof; and shall become effective thirty (30) days from the mailing.

**Section 4. Board Fiduciary Duties.** “Board” members have fiduciary duties to act in the community's best interest per IC 23-17-13. Fiduciary duty is based on principles of trust, good faith, and transparency. These duties include, but are not limited to:

- a. To prioritize the community's needs over their own.
- b. To make informed decisions based on research and available information.
- c. To follow the “Governing Documents” that outline the community's rules, limitations, and procedures.
- d. To keep certain information confidential and not use it for personal gain.
- e. To always act in the best interest of the “Association.”
- f. To enforce the rules and regulations of the HOA and impose penalties for violations.

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g. To keep detailed and accurate business records.

**ARTICLE VIII: CONFLICT OF INTEREST POLICY**

**Section 1. Definition of Conflict of Interest.** A conflict of interest arises when a Director, Officer, or committee member has a financial interest that could interfere with their duty to act in the best interest of the “Association.”

**Section 2. Disclosure Requirements.** All Directors, Officers, and committee members must disclose any potential conflicts of interest in writing to the “Board” prior to consideration of any matter involving such conflict.

**Section 3. Management of Conflicts.**

- a. The “Board” shall review disclosed conflicts and determine appropriate actions to mitigate potential harm to the “Association.”
- b. Individuals with a conflict of interest must recuse themselves from discussions and voting on matters related to the conflict.

**Section 4. Documentation.** All disclosures and resolutions of conflicts shall be documented in the minutes of the “Board” meeting.

**ARTICLE IX: MEETINGS OF THE BOARD OF DIRECTORS**

**Section 1. Organizational Board Meeting.** The first meeting of a newly elected “Board” shall be held immediately following the Annual Meeting of the “Members.” The “Board” shall nominate and elect the Officers for the ensuing year.

**Section 2. Regular Business Meetings.** A regular business meeting of the “Board” shall be held at least quarterly and may be held at any place reasonably convenient for the Directors to attend at such times and places as the “Board” may fix from time to time. Notice of regular business meetings of the “Board” shall be given to each Director, personally or by mail, telephone, or electronic mail, at least three (3) days prior to the day named for such meeting. The notice of any regular business meeting must state the date, time, and place where it is to be held and the items on the agenda. All such meetings are open to attendance by “Members” of the “Association” upon notification of their intent to attend at least (2) days prior to the date of the meeting to provide for appropriate meeting space size.

**Section 3. Special Board Meetings.** Special meetings of the “Board” shall be held at any place within Allen County, Indiana, reasonably convenient for the Directors to attend whenever called by the President or the Secretary of the “Association” or by any “Director.” At least seventy-two (72) hours’ notice of such meeting specifying the time, place and purpose shall be given to each Director either personally, by written notice deposited in the United States mail, postage prepaid, in an envelope to such Director or electronically by way of notice to the last email address for each Director of record with the Secretary of the “Board” or any “Managing Agent.” Whenever all of the Directors shall meet, such meeting shall be valid for all purposes and at such meeting

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any corporate action may be taken.

**Section 4. Waiver of Notice.** 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 details 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.

**Section 5. Board Quorum and Voting.** A simple majority (51%) 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 simple majority (51%) of the remaining Directors). The act of a simple majority (51%) of the Directors present at a meeting at which a “Quorum” is present shall be the act of the “Board” unless the act of a greater number is required by the “Indiana Nonprofit Corporation Act of 1991,” as amended from time to time, the Articles of Incorporation, the “Covenants” or other provisions of these Bylaws. If only three (3) Directors are present, a “Quorum” shall be deemed to exist, but the vote must be unanimous to carry a motion. If, at any meeting of the “Board,” there is less than a quorum present, the majority of those present may adjourn the meeting for a period of time of no longer than one week until a “Quorum” is obtained. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

**Section 6. Director’s Action by Consent in Lieu of Meeting.** Any action required or permitted to be taken at any meeting of the “Board” thereof may be taken without a meeting if prior to such action a written consent to such action is signed by all of the Directors and such written consent is filed with the minutes of the proceedings of the “Board.”

**Section 7. Directors’ Directed Proxy.** If a Director is unable to attend a meeting in which a vote will be taken, they may give another Director a written directed proxy that matches the motion that will be made and indicates the Director’s vote. This proxy shall count towards a “Quorum” for that issue.

**Section 8. Voting Disqualification of Directors.** Directors may be disqualified from voting as a “Board” Member if, during their term, they become disqualified per Article VI, Section 5 and/or Article VIII of these Bylaws or any provision in the “Covenants.” The determination of the disqualification status of a Director shall be at the discretion of the non-affected Directors so long as the reasoning is not in conflict with any local, state or federal law or regulation. A simple majority (51%) vote of the non-affected Directors shall be required to disqualify a Director from voting.

**ARTICLE X: OFFICERS AND THEIR DUTIES**

**Section 1. Designation of Officers.** The Officers of the “Association” shall consist of a President, a Vice President, a Treasurer and a Secretary.

**Section 2. Officer Election.** The Officers of the “Association” shall be elected by the “Board”

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at the Organizational Meeting immediately following the Annual Meeting of the “Members.” All Officers must be “Members” in “Good Standing” of the “Association and qualified per Article VI, Section 5 of these Bylaws.”

**Section 3. Officer Term.** Each Officer shall hold Office for one (1) year unless they resign, or be removed, or otherwise disqualified to serve. One person may hold more than one (1) Office, except that the Offices of President and Secretary shall not be held by the same person.

**Section 4. Special Officer Appointments.** The “Board” may elect such other Officers as the affairs of the “Association” may require, each of whom shall hold Office for such period, have authority and perform such duties as the “Board” may, from time to time, determine but no longer than the end of that fiscal year.

**Section 5. Resignation of Officers.** Any Officer may resign at any time by giving written notice to the President or the Secretary, or any “Managing Agent.” Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein; the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Removal of Officers.** Any Officer of the “Association” may be removed by a simple majority (51%) of the “Board,” with or without cause by the “Board,” whenever the “Board” in its judgment believes that the best interests of the “Association” shall be served by such removal. Election or appointment of an Officer does not of itself create contract rights.

**Section 7. Officer Vacancies.** Any vacancy in any Office may be filled by appointment by a simple majority (51%) of the “Board.” The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer they replace.

**Section 8. Officer Compensation.** Officers shall not be entitled to compensation for their services. However, any Officer may be reimbursed for reasonable expenses incurred in the performance of their duties.

**Section 9. Fidelity Bonds for Officers.** The “Board” may require that any Officer of the “Association” handling or responsible for “Association” funds shall be furnished with adequate insurance or fidelity bonds. The premiums on such insurance or bonds shall be a common expense as may be deemed appropriate by the “Board.”

**ARTICLE XI: POWERS AND DUTIES OF THE OFFICERS.**

The powers and duties of the Officers may be established or limited in the “Covenants;” to the extent not to conflict therewith, the powers and duties of the Officers are as follows:

- 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. 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.) They shall preside at all meetings of the “Members” and of the “Board;” see that orders of the

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“Board” are carried out; sign on behalf of the “Association” all leases, mortgages, deeds and other written instruments; and submit to the “Board,” 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.

- b. Vice President.** The Vice President shall act in the place of the President in the event of their absence, inability or refusal to act, and exercise and discharge such other duties as may be required of them by the “Board.”
  
- c. Secretary.** Except to the extent performed by any “Managing Agent,” the Secretary shall record the votes and keep or cause to be kept a full, true and complete record of all of the meetings of the “Members” and of the “Board” and have charge of the minute book of the “Association” and of all of its other books and documents (except the books of account); serve notice of any meetings of the “Board” and of the “Members;” compose and distribute quarterly newsletters; manage and update the “Association” website; respond to “Owner” contact forms from the “Association” website; and perform such other duties as may be required by the “Board” or the President.
  
- d. Treasurer.** Except to the extent performed by any “Managing Agent,” the Treasurer shall have the custody of the funds and other personal property of the “Association;” deposit all funds of the “Association” in an appropriate governmentally insured depository for the common treasury; keep, or cause to be kept, correct and accurate books of depository to be approved by the “Board;” 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;” co-sign all checks and promissory notes (if required); shall (if directed by the “Board”) cause audits of “Association” funds and a financial statement to be prepared and presented to the “Association” by any “Managing Agent,” a public accountant, or a certified public accountant; see that all expenditures are made in accordance with procedures duly established, from time to time, by the “Association;” render financial statements at all regular meetings of the “Board,” and a full financial report at the annual meeting of the “Members,” if called upon so to do; and perform such other duties as may, from time to time, be delegated to them by the “Board” or the President.

**ARTICLE XII: RECORDS RETENTION AND INSPECTION POLICY**

**Section 1. Records to Be Maintained.**

The “Association” shall maintain the following records:

- a.** Meeting minutes of the “Board” and “Members.”
- b.** Financial records, including budgets and assessments.
- c.** Membership lists with contact information.
- d.** “Governing Documents,” including the Articles of Incorporation, Bylaws, and Covenants.

**Section 2. Retention Periods.**

- a.** Financial and meeting records shall be retained for a minimum of seven (7) years.

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- b. “Governing Documents” shall be retained permanently.

**Section 3. Member Inspection Rights.** “Members” may inspect “Association” records upon written request, provided the request is for a proper purpose and reasonable notice is given.

**Section 4. Limitations and Costs.**

- a. The “Board” may impose reasonable limitations on inspection rights to protect sensitive information.
- b. “Members” may be charged reasonable costs for document production.

**ARTICLE XIII: OFFICERS AND DIRECTORS AS AGENTS OF THE ASSOCIATION**

**Section 1. Agents of the Association.** Contracts or other commitments made by the “Board” or Officers shall be made as an agent for the “Association,” and they shall have no personal responsibility for any such contract or commitment.

**Section 2. Indemnification of Board Members and Officers.** To the fullest extent permitted by Indiana State Law for a not-for-profit corporation, the “Association” shall indemnify and hold harmless each Director, Officer and persons who formerly held such positions, against any and all claims, liabilities, and expenses (including attorney’s fees, judgments, fines, and amounts paid in settlement) incurred and arising from any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, to which they have become subject to because they held a position or have allegedly taken or omitted to take any action in connection with their position. However, this indemnification shall not apply to:

- a. any act or omission not made in good faith, or which involves intentional misconduct or where they had reasonable cause to believe their conduct was unlawful, or
- b. any transaction from which they derived any improper personal benefit.

The decision concerning whether a situation had satisfied these exceptions shall be made by (i) the “Board” by a simple majority (51%) vote of a “Quorum” consisting of Directors who are not parties to the action, suit, or proceeding giving rise to the claim for indemnity (Disinterested Directors); (ii) if there are no Disinterested Directors, or if the Disinterested Directors so direct, by independent legal counsel in a written opinion.

All liability, loss, damage, costs, and expenses incurred or suffered by the “Association” by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the “Association” as common expenses of the “Association.” Nothing contained in this Article XIII shall, however, be deemed to obligate the “Association” to indemnify any “Member” or “Owner” of a “Lot,” who is or has been a Director or Officer of the “Association,” with respect to any duties or obligations assumed or liabilities incurred as a “Member” or “Owner” of a “Lot” pursuant to or by virtue of the “Covenants.”

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**ARTICLE XIV: COMMITTEES**

**Section 1. Appointment of Committees.** The “Board” may appoint such committees as deemed appropriate in carrying out its purpose, including, without limitation, an Architectural Control Committee, which may be the “Board” itself. A Member of the “Board” shall serve as the Chairperson of any committee appointed by the “Board.” All committees shall serve at the pleasure of the “Board” and may be reorganized or disbanded as the “Board” deems appropriate and necessary.

**Section 2. Committee Action by Consent in Lieu of Meeting.** Any action required or permitted to be taken at any meeting of 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 such committee and such written consent is filed with the minutes of the proceedings of the committee.

**ARTICLE XV: ARCHITECTURAL CONTROL COMMITTEE**

The purpose of the “ACC” is to keep the community attractive for the enjoyment of residents and the protection of property and property values. The “Covenants” authorizes the “ACC” to establish rules, standards and procedures for the orderly development and enhancement of the subdivision and requires “Owners” to obtain written approval from the “ACC” for any buildings, additions or other exterior improvements to their property. This is to ensure that the improvements comply with the provisions of the “Covenants” and the “ACC” guidelines. The “ACC” and “Board” have established these guidelines in accordance with the authority granted to them by the provisions of the “Covenants.”

**Section 1. Committee Charter.** The primary responsibility of the “ACC” is to act on all applications for the approval of modifications or improvements to any “Lot” as dictated by Article II, Section 21 of the “Covenants.”

**Section 2. Committee Members.** The “Board” shall appoint at least three (3) but no more than five (5) “Members” to the “ACC.” All appointments made by the “Board” to such Committee are subject to the “Covenants,” Article III, Section 21.3, and, once properly appointed, shall serve at the pleasure of the “Board” and function in accordance with the “Covenants” and any provisions contained therein governing such committee and construction. Should more than one co-owner of any “Lot” serve on the “ACC” concurrently, only one vote between them shall be cast.

**ARTICLE XVI: COMMON AREAS**

**Section 1. Definition.** Certain areas have been designated in the recorded plat of “Palmira Lakes” and all sections thereof as “Common Areas.” The “Common Areas” may be used by any “Member” in “Good Standing” of the “Association” and by his family members, guests, and invitees at such times and in such manner as may be more fully outlined in specific rules and regulations for such use to be adopted by the “Association.”

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**Section 2. Maintenance Of Common Areas.** The “Association” is responsible for the maintenance of the “Common Areas” unless otherwise stipulated in the “Covenants.”

**ARTICLE XVII: INSURANCE REQUIREMENTS**

**Section 1. Types of Insurance.** The “Association” shall maintain the following insurance policies:

- a. Property insurance covering all “Common Areas.”
- b. General liability insurance with coverage of at least \$1 million.
- c. Directors and Officers (D&O) liability insurance.

**Section 2. Minimum Coverage Amounts.** The “Board” shall review and determine appropriate minimum coverage amounts annually.

**Section 3. Filing Claims.** The “Board” shall establish procedures for filing and managing insurance claims.

**Section 4. Deductible Responsibility.** The “Association” shall be responsible for insurance deductibles unless otherwise specified in the “Governing Documents.”

**Section 5. Policy Review.** The “Board” shall review all insurance policies annually to ensure adequate coverage.

**ARTICLE XVIII: FUNDS**

**Section 1. General Operating Fund.** The General Operating Fund is hereby established. The Annual “Assessment” shall be used exclusively, except as provided in Article XIX below, for the purpose of promoting the health and safety of the residents of “Palmira Lakes,” including, but not limited to, the improvement and maintenance of the “Common Areas,” surface drainage systems, repairs, maintenance, the cost of labor, equipment and materials, supervision, security, lighting, snow removal, insurance, taxes, and all other things necessary or desirable in the opinion of a simple majority (51%) of the “Board” in connection therewith.

**Section 2. Reserve Fund.** The Reserve Fund is hereby established to provide funds for repairing and replacing major common area components over the long term. These funds shall not be used for regularly occurring operating expenses. The “Board” shall determine and allocate a portion of the Annual Assessments to be allocated each year.

**Section 3. Depository.** The funds of the Association shall be deposited in a depository or depositories to be selected by the “Board.” A bank account or accounts shall be established in a governmental-insured depository for the common treasury, and for all separate funds that are required or may be deemed advisable, such as for the Reserve Fund. All persons or any “Managing Agent” shall maintain all funds and accounts of the “Association” separate from the funds and accounts of other associations managed by the other persons or any “Managing Agent” and shall maintain all reserve accounts of each association so managed separately from operational accounts of such “Association.”

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**Section 4. Withdrawal of Funds.** The funds of the “Association” may be withdrawn and disbursed by such Officers as may be authorized by a simple majority (51%) of the “Board.”

**ARTICLE XIX: FINANCIAL STATEMENTS, BUDGET, RESERVES, AND ASSESSMENTS**

**Section 1. Annual Financial Statement.** Prior to the Annual Meeting, the “Board” shall cause to be prepared and furnished to each “Member” an annual financial statement, which shall show a summary of all income received and expenses incurred and paid year to date.

**Section 2. Operating Budget.** Annually, on or before September 30, the “Board” shall prepare a proposed annual General Operating Fund budget estimating the total amount to be incurred by the “Association” for the ensuing fiscal year, as well as Reserves, and shall furnish a copy of such proposed budget to each “Member” prior to the Annual Meeting.

**Section 3. Reserve Budget.** The “Board” shall prepare an estimate of the costs of repairing and replacing major “Common Area” components (e.g., road pavement, entrance signage, and stormwater detention systems) over the long term and determine the amount of the Reserve allocation from the Annual Assessment.

**Section 4. Annual Assessments.** The Annual Budget as adopted shall, based on the estimated cash requirements for the expenses of the “Association,” as well as reserves, contain a proposed “Assessment” against each “Lot.” The “Board” shall fix the date of commencement and the amount of the 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.”

**Section 5. Special Assessments.** Special Assessments may be adopted to cover unexpected costs or major repairs if the Reserve Fund is underfunded as long as a simple majority fifty-one (51%) of all of the “Members” of the “Association” who are eligible to vote either in person or by proxy at a meeting duly called for this purpose vote to approve. The due dates of any Special Assessment shall be fixed by a Board Resolution authorizing such Assessment. Special Assessments are separate from Annual Assessments.

**Section 6. Adoption Of The Budget And Annual Assessment.**

- a. The “Association” shall provide each “Member” with a copy of the proposed annual budget, along with a written notice of the amount of any increase or decrease in a regular “Annual Assessment” paid by the “Members,” that would occur if the proposed annual budget is approved, before the “Association’s” Annual Meeting is held.
- b. Subject to subsection (c) below, the “Association’s” budget shall be approved at the “Association’s” Annual Meeting by a simple majority (51%) of the “Members” in attendance, in person, by proxy or any other means allowed as set forth in the “Association’s” “Governing Documents,” at a meeting duly called and conducted in accordance with the requirements of the “Association’s” “Governing Documents.”

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- c. If the number of “Members” in attendance at the “Association’s” Annual Meeting does not constitute a “Quorum” as defined in these Bylaws, the “Board” may adopt an annual budget for the “Association” for the ensuing year in an amount that does not exceed one hundred and ten percent (110%) of the amount of the last approved “Association” annual budget.

**Section 7. Covenants Requirements.** The nature, type, amount, lien for, and other matters with respect to Assessment as set forth in Article VI and Article X, Section 8 of the “Covenants” are hereby incorporated by reference as if they had been fully set forth herein.

**ARTICLE XX: DISPUTE RESOLUTION PROCEDURES**

The Association will follow any dispute resolution procedures required by law, including, i.e. 32-25.5.5-1 et. seq., as that law may be amended from time to time.

**Section 1. Internal Dispute Resolution.** The Association encourages Members to resolve disputes informally through direct communication.

**Section 2. Mediation Requirement.** Before initiating litigation, parties must attempt to resolve disputes through mediation with a neutral third party.

**Section 3. Cost Allocation.** The costs of mediation shall be shared equally by the parties unless otherwise agreed.

**Section 4. Exceptions.** This Article does not apply to emergency situations requiring immediate court intervention.

**ARTICLE XXI: MISCELLANEOUS**

**Section 1. Headings.** Headings are for reference only and do not affect the provisions of these Bylaws. Where appropriate, the masculine gender shall include the feminine or the neuter, and the singular shall include the plural.

**Section 2. Inconsistent Provisions.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the “Covenants” and these Bylaws, the “Covenants” shall control and in the case of any conflict between these Bylaws and any Indiana law or regulation, the Indiana law or regulation shall control.

**Section 3. Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the same meaning attributed to such terms in the “Covenants.”

**Section 4. Fiscal Year.** Unless the “Board” otherwise determines by written resolution, the fiscal year of the Association shall begin on the first day of January and end on the last day of December every year.

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**ARTICLE XXII: AMENDMENT**

**Section 1. Notice.** The “Association” shall provide notice of any meeting of the “Board” at which an amendment is to be approved. The notice shall be in accordance with IC 23-17-15-3, state the purpose of the meeting is to consider a proposed amendment to the Bylaws, and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment.

**Section 2. Amendment Process.** These Bylaws may be amended by the “Board,” by the affirmative vote of a simple majority (51%) of all “Members” who are entitled to vote, 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 of the “Members” are present in person or by directed proxy.

**ARTICLE XXIII: DISSOLUTION PROVISIONS**

**Section 1. Circumstances for Dissolution.** The Association may be dissolved upon the occurrence of any of the following:

- a. A resolution adopted by the Board of Directors recommending dissolution, followed by approval of at least two-thirds (2/3) of the Members entitled to vote.
- b. A court order mandating dissolution under applicable Indiana law.

**Section 2. Voting Requirements.** A supermajority vote of two-thirds (2/3) of the Members entitled to vote is required for voluntary dissolution.

**Section 3. Asset Liquidation and Debt Settlement.** Upon dissolution, the Board shall:

- a. Liquidate all assets of the Association in an orderly manner.
- b. Settle all outstanding debts and obligations of the Association.

**Section 4. Distribution of Remaining Assets.** After all liabilities are satisfied, any remaining assets shall be distributed to an entity with similar purposes, as determined by the Board, or as otherwise provided in the Articles of Incorporation.

**Section 5. Filing Requirements.** The Board shall ensure compliance with all filing requirements under the “Indiana Non-Profit Corporation Act,” including filing Articles of Dissolution with the Indiana Secretary of State.

**ARTICLE XXIV: ELECTRONIC DISTRIBUTION: ELECTRONIC SIGNATURES**

Subject to any provisions to the contrary contained herein, any corporate action or notice that is required by law, the Articles of Incorporation, or these Bylaws, that is required to be in writing, may be transmitted by the Corporation via facsimile, electronic means (e.g., email of a PDF file), or by scanned copy or photocopy. Further, any person’s facsimile, electronic or scanned signature shall have the same legal effect as if the facsimile, electronic, or scanned signature were an original signature.