

**CODE OF BYLAWS
OF
IRISH CROSSINGS DEVELOPERS LLC TOWNHOMES
HOMEOWNERS ASSOCIATION**

**ARTICLE I
IDENTIFICATION AND APPLICABILITY**

Section 1.1. ***Identification and Adoption.*** These Bylaws are adopted pursuant to the provisions of a certain “Declaration of Covenants, Conditions and Restrictions for Irish Crossing Developers LLC Townhomes” recorded as Instrument Number _____ in the Office of the Recorder of St. Joseph County, Indiana (the “Declaration”). The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these Bylaws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these Bylaws and reference is specifically made to Article I of the Declaration containing definitions of terms. The provisions of these Bylaws shall apply to the Property and the administration and conduct of the affairs of the Association.

Section 1.2. ***Individual Application.*** All of the Owners, future Owners, tenants, lessees, future tenants, future lessees, or their guests and invitees, or any other person that might use or occupy a Townhome Unit or any part of the Property shall be subject to the restrictions, terms and conditions set forth in the Declaration, these Bylaws and to any rules and regulations adopted by the Board of Directors as herein provided. The term “Townhome Unit” shall mean and refer to any improvement to the Property intended for any type of independent ownership for use and occupancy as a residence by a single household.

**ARTICLE II
MEETINGS OF ASSOCIATION**

Section 2.1. ***Purpose of Meetings.*** At least annually, and at such other times as may be necessary, the meetings of the Association shall be held for the purpose of electing the Board of Directors (subject to the provision of Section 3.2 hereof), approving the annual budget, providing for the collection of Common Expenses and for such other purposes as may be required by the Declaration or these Bylaws.

Section 2.2. ***Annual Meetings.*** The first annual meeting of the Association may be held within ninety (90) days following the recording of the Declaration by the Declarant provided, however, that in no event shall the first annual meeting be held later than four (4) months after seventy-five percent (75%) of the Townhome Units have been conveyed to Owners, or five (5) years after the first Townhome Unit is conveyed to an Owner, whichever is later, and providing further, that the Declarant may, at any time after recording, call for the first annual meeting of the Association, and pursuant to such meeting, the Association shall henceforth assume the duties and responsibilities ascribed to it by the Declaration and these Bylaws. The date the Association assumes such duties

shall be referred to as the “Applicable Meeting Date.” Subsequent regular annual meetings of the Association shall be held as the Board of Directors may decide at the first meeting of the Board following the first annual meeting of the Association. If the day for the annual meeting of the Association is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. In the event the Board does not establish by resolution a fixed day thereafter for the annual meeting of the Association, it shall be held on the second Saturday in November of each succeeding year.

Section 2.3. ***Special Meetings.*** A special meeting of the Members of the Association may be called by resolution of the Board of Directors or upon a written petition of a majority of the Owners. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.4. ***Notice and Place of Meetings.*** All meetings of the Association shall be held at any suitable place in St. Joseph County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Member entitled to vote not less than fourteen (14) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Townhome Units and to one (1) other address that each owner may supply on a signed address card and filed with the Secretary of the Association, and to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 9.1 of these Bylaws. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.5. ***Voting.***

- (a) **Classes of Membership and Number of Votes.** Except as provided in Article III of the Declaration, there shall be only one (1) class of membership in the Association and each Owner shall be entitled to one (1) vote as designated in Article II of the Declaration.
- (b) **Multiple Owner.** Where the Owner of a Townhome Unit constitutes or consists of more than one (1) person, or is a partnership, there shall be only one (1) voting representative entitled to vote for that Townhome Unit. At the time of acquisition of title to a Townhome Unit by a multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Association an irrevocable proxy appointing one (1) of such persons or partners as the voting representative for such Townhome Unit, which shall remain in effect until all of such parties constituting such multiple Owners or the partners in

such partnership designate another voting representative in writing, or such appointed representative relinquishes such appointment in writing, becomes incompetent, dies or such appointment is otherwise rescinded by order of a court of competent jurisdiction or the Owner no longer owns such Townhome Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to Section 2.5(d) herein, which shall not constitute a permanent relinquishment of his right to act as voting representative of the Townhome Unit.

- (c) Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trust may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the Board of Directors of such corporation may cast the vote to which the corporation is entitled. The secretary of the corporation or a trustee of the trust so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary of the Association stating who is authorized to vote on behalf of said corporation or trust.
- (d) Proxy. An Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate his attorney-in-fact in writing, delivered to the Secretary of the Association prior to the commencement of the meeting.
- (e) Quorum. Except where otherwise expressly provided in the Declaration or Bylaws, the Owners representing a majority shall constitute a quorum at all meetings. The term majority of Owners, as used in these Bylaws, shall mean the Owners entitled to more than fifty percent (50%) of the votes in accordance with the Declaration, as such may be amended from time to time.
- (f) Conduct of Annual Meeting. The President of the Board of Directors shall act as Chairman of all annual meetings of the Association if he is present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:
 - (i) *Reading of Minutes.* The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority of the votes.
 - (ii) *Treasurer's Report.* The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common

Expenses and financial report for the prior year and the proposed budget for the current year.

- (iii) *Budget.* The proposed budget for the ensuing fiscal year shall be presented to the Owners for approval or amendment unless otherwise changed by the Board of Directors. The fiscal year shall be on a calendar year basis.
- (iv) *Election of Board of Directors.* Nominations for the Board of Directors may be made by any Owner from those persons 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 date of 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 Owner may cast one (1) vote for as many nominees as are to be elected, however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. The Board may provide a method to assure secrecy of the ballot. The foregoing provisions are subject to the provisions of Section 3.2 hereof.
- (v) *Other Business.* Other business requiring a vote may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the Owners. Any other general business matters of discussion that do not require a vote may be properly brought before the meeting by an Owner in good standing.
- (vi) *Adjournment.*
- (g) Conduct of Special Meeting. The President of the Board of Directors shall act as Chairman of any special meetings of the Association if he is present. The Chairman shall call the meeting to order at the duly designated time and the only business to be discussed and acted upon at such meeting shall be consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE III BOARD OF DIRECTORS

Section 3.1. *Management and Number.* The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called “Board” or “Directors” and individually called “Director”). The Board of Directors (except for the

Initial Board) shall be composed of five (5) persons, with no two (2) directors owning in the same building. No person shall be eligible to serve as a Director unless he is, or is deemed in accordance with the Declaration to be, an Owner, excluding a person appointed by Declarant as provided in Section 3.2 hereof.

Section 3.2. ***Initial Board of Directors.*** The initial Board of Directors shall be Shane O'Malley, Tom Troeger, and Dave Foote (herein referred to as the "Initial Board"), all of who have been or shall be appointed by Declarant. Declarant reserves the right to remove or replace any of the aforementioned persons as Directors prior to the first annual meeting of the Association. Notwithstanding anything to the contrary contained in, or any other provisions of, these Bylaws or the Declaration, the Initial Board, subject to the removal and replacement rights of Declarant, shall hold office until the first annual meeting of the Association or a special meeting of the Association for election of Directors either of which shall not be held later than four (4) months after seventy-five percent (75%) of the Townhome Units have been conveyed to Owners, or five (5) years after the first Townhome Unit is conveyed to an Owner, whichever is later (Applicable Meeting Date). In the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever, prior to the Applicable Meeting Date determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board.

Section 3.3. ***Additional Qualifications.*** Where an Owner consists of more than one (1) person or is a partnership, personal representative of an estate, corporation, trust or other legal entity, then one (1) of the persons constituting the multiple Owner, or a partner or an officer or trustee or personal representative of an estate shall be eligible to serve on the Board of Directors, except that no single Townhome Unit may be represented on the Board of Directors by more than one (1) person at a time.

Section 3.4. ***Term of Office and Vacancy.*** Subject to the provisions of Section 3.2, the Board of Directors shall be elected at each annual meeting of the Association. The Initial Board of Directors shall be deemed to be elected as the Board of Directors until the expiration of the time in Section 3.2. Directors shall hold office for a term of one (1) year or until their successors have been duly elected and qualified. Any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.5. A Director filling a vacancy shall serve until the next annual meeting of the Association or until his successor has been duly elected and qualified.

Section 3.5. ***Removal of Directors.*** A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the Owners at a special meeting of the Owners duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners or until his successor is duly elected and qualified.

Section 3.6. ***Duties of the Board of Directors.*** The Board of Directors shall provide for the administration, maintenance, upkeep and replacement of the Common Areas and the collection and disbursement of the Common Expenses. After the recording of the Declaration, the Board may, on behalf of the Association, employ a property management agent (herein called the “Managing Agent”) upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

- (a) protection, surveillance, maintenance and replacement of the Common Areas, unless the same are otherwise the responsibility or duty of Owners of Townhome Units; 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 may provide any on-site or roving guards, security service or security system for protection or surveillance;
- (b) procuring of utilities used in connection with removal of garbage and waste from the Common Areas;
- (c) procuring of utilities used in connection with the plowing and removal of snow plowing and/or removal of snow from (i) Private Streets located within Common Areas, and (ii) Sidewalks and community walkways located within Common Areas;
- (d) landscaping, painting, decorating, furnishing, maintenance and upkeep of the Common Areas;
- (e) surfacing, paving and maintaining Private Streets, Parking Areas, and Sidewalks;
- (f) assessment and collection from the Owners of the Owners’ pro rata shares of the Common Expenses;
- (g) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
- (h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;
- (i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by an Owner at any time during normal business hours; payment vouchers for all expenditures shall, prior to payment, be approved by a member of the

Board or such other person (which may include the Managing Agent) to whom the Board may delegate such duty and authority;

- (j) procuring and maintaining for the benefit of the Owners, the Association and the Board the insurance coverages required under the Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;
- (k) interpreting, applying and enforcing all restrictive covenants, rules and regulations established by the Declaration, Bylaws, or Board with respect to the Owners or users or relating to the use, maintenance or repair of any property within the boundaries of the Property;
- (l) enforce the lien procedures against any property for which assessments are not paid within thirty (30) days, or such other period of time as the Board shall from time to time determine, after due date or to bring an action at law against the Owner personally obligated to pay the same; and
- (m) protection, surveillance, maintenance and replacement of any water features, unless the same are otherwise the responsibility or duty of Owners of Townhome Units; 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 may provide any on-site or roving guards, security service or security system for protection or surveillance; lifeguards or safety personnel;

Section 3.7. ***Powers of the Board of Directors.*** The Board of Directors shall have such full powers as are provided in the Declaration and are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

- (a) to employ a Managing Agent to assist the Board in performing its duties;
- (b) to purchase for the benefit of the property and Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
- (c) to employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Property;
- (d) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the maintenance, upkeep, repair and replacement of the Common Areas;

- (e) to procure and maintain in adequate amounts for the benefit of the Owners fire and extended coverage insurance covering the Common Area buildings (if any) to the full insurable value thereof together with “all risk” coverage and insurance amounts for the “full replacement value,” if economically available, and to procure public liability and property damage insurance and workmen’s compensation insurance, if necessary, for the benefit of the Owners and the Association;
- (f) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;
- (g) to open and maintain a bank account or accounts in the name of the Association;
- (h) to adopt, revise, amend and alter from time to time, rules and regulations with respect to use, occupancy, operation and enjoyment of the Property;
- (i) to suspend the voting rights and right to use of the recreational facilities (if any) of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period not to exceed one hundred twenty (120) days and fines not to exceed \$500.00 per violation levied after notice and hearing, for infraction of published rules and regulations. Fines levied shall constitute a lien on the Owner’s Lot and collection of fines shall be in the same manner as collection of delinquent assessments;
- (j) to exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration; and
- (k) to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 3.8. ***Limitation on Board Action.*** After the Applicable Meeting Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$1,000.00 without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:

- (a) contracts for replacing or restoring portions of the Common Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;

- (b) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and
- (c) contracts for repair, replacement or maintenance of improvements within the Project or affecting any property constituting all or a portion of the Project where delay in the said repair, replacement or maintenance would increase substantially the costs and expense of the same and/or would subject the Property or the Project or the persons therein to substantial risk of injury or damage.

Section 3.9. **Compensation.** No Director shall receive any compensation for his services as such except to the extent as may be expressly authorized by a majority of the Class A Members. However, any Director may at any time be reimbursed for his actual expenses incurred in the performance of his duties, and such reimbursement shall not require express approval of all the Owners or any portion thereof, but shall require majority approval of the Board.

Section 3.10. **Meetings and Actions of the Board.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. If the meetings are to be held outside of St. Joseph County, Indiana, the date, place and time of the meeting must receive unanimous approval of all Directors. There shall be at least two (2) regular meetings of the Directors annually. The Secretary shall give written notice of regular meetings of the Board to each Director personally or by United States mail at least ten (10) days prior to the date of such meeting.

Special meetings of the Board may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least five (5) days prior to the date of such special meeting, give notice to the Board members. The Notice of the meeting shall contain a statement of the purpose for which the meeting is called.

The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 3.11. **Waiver of Notice.** Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his subsequent written consent to the actions taken, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. **Quorum.** At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.13. **Non-Liability of Directors.** The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of Irish Crossings Developers LLC Townhomes unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or Bylaws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of Irish Crossings Developers LLC Townhomes or the Association and that in all matters the Board is acting for and on behalf of the Association as its agent. The liability of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to one divided by the total number of lots owned by persons other than Declarant. Every contract made by the Board or the Managing Agent on behalf of Irish Crossings Developers LLC Townhomes shall provide that the Board of Directors and the Managing Agent, as the case may be, are acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners (if applicable).

Section 3.14. **Additional Indemnity of Directors.** The Association shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made or threatened to be made a party to any action, suit or proceedings by reason of the fact that he is or was a Director of the Association, against all costs and expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense of such action, suit or proceeding, or in connection with an appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties.

The Association shall also reimburse to any such Director the reasonable costs of settlement or judgment rendered in any action, suit or proceedings, if it shall be found by a majority of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent of Irish Crossings Developers LLC Townhomes or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Association to render

advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 3.15. **Bond.** The Board of Directors may require the Managing Agent, Treasurer and such other officers or employees of the Association as the Board deems necessary to provide surety bonds, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a Common Expense.

ARTICLE IV OFFICERS

Section 4.1. **Officers of the Association.** The principal officers of the Board and Association shall be President, Vice President, Secretary and Treasurer and such other officers as the Board may from time to time by resolution create, all of whom shall be elected by the Board. The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in their judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of the President shall be exclusive, and the President shall not hold any other office. The initial officers serving until the first annual meeting of the Board of Directors as hereinafter provided shall be:

President:	Shane O'Malley
Vice President:	Tom Troeger
Secretary/Treasurer:	Dave Foote

Section 4.2. **Election of Officers and Removal of Officers.** The Officers of the Board and Association shall be elected annually by the Board at the initial meeting of each new Board. The initial meeting of the Board shall be held immediately after the adjournment of the annual Association meeting. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.3. **The President.** The President shall be elected from among the Directors and shall be the chief executive officer of the Board and Association. He shall preside at all meetings of the Association and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including but not limited to the power to appoint committees from among the Owners as

he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

Section 4.4. ***The Vice President.*** The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these Bylaws may prescribe or as shall, from time to time be imposed upon him by the Board or by the President.

Section 4.5. ***The Secretary.*** The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provisions of these Bylaws. The Secretary may also be the Treasurer.

Section 4.6. ***The Treasurer.*** The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and who shall perform such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account or accounts in the name of the Association. The Treasurer may permit and delegate to the Managing Agent the authority and responsibility to handle an account for monies and other assets of the Association to the extent approved by resolution of the Board. The Treasurer may also be the Secretary.

Section 4.7. ***Assistant Officers.*** The Board of Directors may, from time to time, designate and elect from among the Owners an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these Bylaws or the Board of Directors may prescribe.

Section 4.8. ***Special Appointments.*** The Board may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4.9. ***Committees.*** The Board may appoint committees to assist in the administration and affairs of the Association and Board.

ARTICLE V ASSESSMENTS

Section 5.1. **Annual Accounting.** Annually, after the close of each fiscal year of the Association and prior to the date of the annual meeting of the Association next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

Section 5.2. **Proposed Annual Budget.** Annually, on or before the date of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority of the Owners; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Areas, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Areas. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Areas shall be maintained by the Association in a separate interest bearing account or accounts with one (1) or more banks or savings and loan associations authorized to conduct business in St. Joseph County, Indiana, selected from time to time by the Board. The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided whenever determined. Whenever, whether before or after the annual meeting of the Association, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred percent (100%) of such last approved budget, as a temporary budget.

Section 5.3. **Regular Assessments.** The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed equal assessment against each Townhome Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Townhome Unit (herein called the "Regular Assessments"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final

annual budget by the Owners, to reflect the assessment against each Townhome Unit based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Townhome Unit shall be paid in advance in equal quarterly installments, commencing on the date of conveyance of the Unit and on the first day of each calendar quarter thereafter. Payment of the quarterly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay quarterly assessments semi-annually or annually, in advance. At the election and option of a majority of the Owners, the Regular Assessment may be required to be paid by the Owners in advance in one (1) annual installment rather than quarterly or semi-annually installments. In the event the Regular Assessment for a particular fiscal year of the Association was initially based upon a temporary budget then,

- (a) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment and such next payment and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or
- (b) if the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess shall be credited against the next payment or payments of the Regular Assessment coming due, until the entire amount of such excess has been so credited; provided, however, that if an Owner had paid his Regular Assessment either semi-annually or annually, in advance, then the adjustments set forth under (a) or (b) above shall be made by a cash payment by, or refund to, the Owner on the first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Owners.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Townhome Unit as of the first day of each fiscal year (if the fiscal year is the calendar year, January 1 of each calendar year shall be the lien date) of the Association, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers his Townhome Unit or any interest therein, shall not relieve or release such Owner or his successor as owner of such Townhome Unit from payment of the Regular Assessment for

such Townhome Unit as finally determined, and such Owner and his successor as owner of such Townhome Unit shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Association pursuant to Section 9.2 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statements to Owners for the same.

Section 5.4. ***Special Assessments.*** From time to time, Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these Bylaws or the Declaration, the Board of Directors shall have the full right, power and authority to make special assessments during any fiscal year which, upon resolution of the Board, shall become a lien on each Townhome Unit (herein called "Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures, to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in the Declaration.

Section 5.5. ***Sewer Assessments.*** From time to time, repairs to sewer lines serving a Townhome Unit and/or Townhome Units may be required. The City of South Bend has established a sewer repair insurance fund program for the repair of city sewer lines. Under this program, a property owner is required to pay a \$500.00 for each repair made by the City of South Bend to a sewer line serving his/her property. The Board of Directors, without the approval of the Owners, unless otherwise provided in these Bylaws or the Declaration, shall have the full right, power and authority to charge a sewer assessment during any month immediately following a month in which any such repair(s) is/are made under the program. Such assessment, upon resolution of the Board, shall become a lien on each Townhome Unit (herein called "Sewer Assessment"). The amount of any such Sewer Assessment shall be determined by adding the total amount of the deductible(s) paid in the preceding month, and dividing this amount equally between all Townhome Units, except for unoccupied Townhome Units owned by the Declarant or a Designated Builder.

Section 5.6. ***Failure of Owner to Pay Assessments.*** Each Owner shall be personally liable for the payment of all Regular Assessments, Sewer Assessments, and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several.

- (a) If any Owner shall fail or refuse to make any such payment of any assessment when due, the amount thereof shall constitute a lien on the Townhome Unit of the Owner, and upon the recording of notice thereof by the Association, such lien shall be constituted upon such Owner's Unit prior to all other liens and encumbrances, recorded or unrecorded, except only (i) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this state and other state or federal taxes which by law are a lien on the interest of such Owner prior to preexisting recorded encumbrances thereon, and (ii) encumbrances on the interest of such Owner recorded prior to the date such notice is recorded, which by law would be a lien thereon prior to subsequently recorded encumbrances.
- (b) The Association shall send a notice, postage prepaid, to any such encumbrancer whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this section, at the address shown in the recorded encumbrance; provided that if such encumbrancer has furnished the Association with another address then such other address shall be used, and said Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrancer.
- (c) Any encumbrancer holding a lien on a Townhome Unit may pay any Common Expenses payable with respect to such Townhome Unit and, if so provided in an encumbrance, may add the amount of such payment to the unpaid balance secured by his lien, and such added amount shall have the same priority and lien rights as the unpaid balance to which added.
- (d) The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Owners, and may be foreclosed by an action brought in the name of the Association in a manner under the laws of the state governing mechanic's liens and materialmen's liens. The Association, acting on behalf of the Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale and to acquire, hold, lease, mortgage and convey the same; and to subrogate so much of its right to such lien as may be necessary or expedient to a title insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.
- (e) Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same.
- (f) The Board shall further have the power to suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association.

- (g) Any payment for assessments not made when due shall bear interest at the rate of eighteen percent (18%) per annum from the date the same shall become due until the date the same is paid. It shall further be the obligation of any party who shall fail to pay any assessment or assessments when due, to reimburse the Association for all expenses incurred as a result of such failure to pay, including all expenses incurred by the Association in the collection of the same and including further, but not limited to, all costs of overhead, accounting and legal expenses incurred with respect to, arising out of, or occasioned by the said failure to pay.
- (h) In the event any person shall acquire or be entitled to the issuance of a tax deed, public trustee's deed, sheriff's deed, commissioner's deed, etc., the interest so acquired shall be subject to all the provisions of the Declaration and to the terms, provisions, covenants, conditions and limitations contained in the Declaration, the Bylaws or any restrictions or exceptions affecting such interest then in force.

Section 5.7. **Initial Budget and Assessments.** Notwithstanding anything to the contrary contained herein, in the Declaration, applicable statutes or otherwise, until the Applicable Meeting Date, the annual budget and all Regular Assessments, Sewer Assessments, and Special Assessments shall be established by the Initial Board without meetings of or concurrence of the Owners. A power of attorney and proxy, coupled with an interest is reserved to the Declarant and is granted to the Declarant by each Owner and shall be deemed to cover and include each Owner's right to vote on and approve the initial annual budget and any Regular Assessments, Sewer Assessments and Special Assessments until the Applicable Meeting Date.

Section 5.8. **One Time Assessment.** Upon the closing of the initial conveyance of a Townhome Unit to an Owner other than the Declarant or a Designated Builder, the purchaser of such Townhome Unit shall pay to the Association, in addition to any other amounts then owed or due to the Association, as a contribution towards its working capital and startup fund, an amount of Two Hundred Dollars (\$200.00), which payment shall be non-refundable and shall not be considered as an advance payment of any other assessment or other charge otherwise owed the Association with respect to such Townhome Unit. Such working capital and startup funds shall be held and used by the Association for payment of, or reimbursement to Declarant for advances made to pay expenses of the Association for the early period of the operation of the Association and the Property, to enable the Association to have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary by the Board of Directors.

Section 5.9. **Rate of Assessment.** The Regular Assessment shall be fixed at a uniform rate and due and owing for all Townhome Units, except for unoccupied Townhome Units owned by the Declarant or a Designated Builder, and the Special

Assessments shall be fixed at a uniform rate and due and owing for all Townhome Units, except for unoccupied Townhome Units owned by the Declarant or a Designated Builder.

Section 5.10. ***Notice of Assessment and Certificate.*** Written notice of the Regular Assessments and any Sewer Assessments or Special Assessments shall be sent to every Member. The due dates for payment of the Regular Assessments and any Sewer Assessments or Special Assessments shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer or authorized agent of the Association setting forth whether the assessments on a specified Townhome Unit have been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 5.11. ***Remedies of the Association in the Event of Default.*** If any assessment pursuant to these Bylaws is not paid within thirty (30) days after its due date, the assessment shall bear interest from the date of delinquency at the rate set forth in Section 5.6. In addition, in its discretion, the Association may elect to do any and/or all of the following:

- (a) impose a penalty or late charge as previously established by rule;
- (b) bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot as Mechanic's Liens are foreclosed, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. A suit to recover a money judgment for nonpayment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without perfecting, foreclosing or waiving the lien provided for herein to secure the same;
- (c) suspend a Member's voting rights, right to hold an office within the Association, and right to use nonessential services offered by the Association to the extent that access and the provision of utilities to the Lot through the Common Area are not precluded. An Owner, whose rights have been suspended in this manner, shall have no right to any refund or suspension of his, her or its obligations to pay such assessments for the duration of such suspension or otherwise; and
- (d) accelerate the due date of the unpaid assessment so that the entire balance shall become immediately due, payable and collectible.

No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or facilities, abandonment of its Lot, or the failure of the Association or the Board of Directors to perform their duties.

Section 5.12. ***Subordination of the Lien to Mortgages.*** The lien for the assessments provided for herein shall be subordinate to the lien of any properly recorded first mortgage or deed of trust encumbering a Lot. Notwithstanding anything contained in this Section 5.12 or elsewhere in these Bylaws, any sale or transfer of a Lot to a Mortgagee pursuant to a foreclosure of its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid assessments (or periodic installments, if applicable) which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior Owner from personal liability therefore. No such sale, transfer or conveyance shall relieve the Lot, or the purchaser thereof at such foreclosure sale, or the grantee in the event of conveyance in lieu thereof, from liability for any assessments (or periodic installments of such assessments, if applicable) thereafter becoming due or from the lien for such assessments.

Section 5.13. ***Exempt Property.*** The following property shall be exempt from the assessments created herein: (a) all property dedicated to and accepted by a local public authority; and (b) the Common Area.

Section 5.14. ***Reserves for Replacements.*** The Association shall establish and maintain a reserve fund for the maintenance, repair and replacement of the Common Area and improvements located thereon by the allocation and payment to such reserve fund of an amount to be designated from time to time by the Board of Directors, which reserve fund shall be sufficient, in the sole opinion of the Board of Directors, to accommodate such future maintenance, repair and replacement and which shall be a component of the Regular Assessment. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by any state or by any agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacement of the Common Area may be expended only for the purpose of effecting the replacement of the Common Area, major repairs to, replacement and maintenance of any improvements within the Common Area, including but not limited to Sidewalks, Parking Areas, Private Streets, Open Space, Detention Areas, landscape improvements, street or common area lighting, streets or roadways developed as a part of the Property, equipment replacement, and for start-up expenses and operating contingencies of a nonrecurring nature relating to the Common Area. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserves shall be considered an appurtenance of the Member's Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

5.15. ***Maintenance and Repairs.*** Every Owner shall promptly perform all maintenance and repair within his own Townhome Unit which, if neglected, would affect the value of the Property. In addition, each Owner shall furnish, and shall be responsible

at his own expense for, the maintenance, repairs and replacements of his Townhome Unit; all partitions and interior walls, ceilings and floors; appliances, to include garbage disposals, dishwashers, stoves, ranges, ovens, microwaves and refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Townhome Unit), doors, screens, and windows (including exterior and interior of all glass and screen surfaces), interior and exterior lamps, and interior and exterior grouting and/or caulking and all other accessories appurtenant to the Townhome Unit or belonging to the Owner thereof. Notwithstanding any of the provisions of this paragraph, all lawn mowing, landscaping and other similar maintenance within the Common Areas shall be provided as an expense of the Association. No Unit Owner shall in any way cut or fertilize lawns, shrubs or other items of landscaping or attempt to maintain or replace same in any manner whatsoever. The Association will provide personnel for these purposes.

The Association shall be responsible for maintaining and replacing any water features on the Property, unless the same are otherwise the responsibility or duty of Owners of Townhome Units. The Association will provide personnel for these purposes.

If, due to the willful, intentional or negligent acts or omissions of an Owner or a member of his family, or of a guest, tenant, lessee, or other occupant or visitor of such Owner, damage shall be caused to the Common Areas, any water features, or to a Townhome Unit owned by or reserved for the use of others, or if maintenance, repairs or replacements shall be required thereby, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. Maintenance, repairs and replacements to the Common Areas, water features, or the Townhome Units shall be subject to the rules and regulations adopted from time to time by the Board.

To the extent that equipment, facilities and fixtures within any Townhome Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Townhome Units or any Common Areas, then the use thereof by the Owner of such Townhome Unit shall be subject to the rules and regulations adopted from time to time by the Board. The authorized representatives of the Association shall be entitled to reasonable access to any Townhome Unit as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or any parts thereof, or any equipment, facilities or fixtures affecting or serving other Townhome Units or any Common Areas.

ARTICLE VI RESTRICTIONS, ENTRY AND RULES AND REGULATIONS

Section 6.1. *Restrictions on Use.* The following restrictions on the use and enjoyment of the Townhome Units, Common Areas and the Property shall be applicable to Irish Crossings Developers LLC Townhomes and in addition to those set forth in the Declaration:

- (a) The Property and any Lots therein or thereon shall be used exclusively for residential purposes except as provided in Section 6.19 of the Declaration. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) Townhome Unit and appurtenant structures, approved by the Association and appropriate Local Governing Authorities, for use solely by the occupant(s) of the Townhome Unit.
- (b) No Structure (as the term is hereafter defined) or addition to a Structure shall be erected, placed, painted, altered or externally modified or improved on any Lot until the plans and specifications, including design, elevation, material, shape, height, color and texture, and a site plan showing the location of all improvements with grading modifications, shall be filed with and approved in writing by the Architectural Review Board, and, if required, by appropriate Local Governing Authorities and, where required, appropriate construction permits obtained. As used herein, the term "Structure" shall include, but not be limited to, any building or portion thereof, including, without limitation, walls, roofs, decks, patios, stairs, windows, mail boxes, name plates, flag poles, lawn ornaments, trees, hedges, shrubbery, solar panels, satellite dishes, antennae, shutters, awnings, doors, pavement, walkways, driveways, garages and/or garage doors. In no event shall any of the following Structures be permitted to be erected, placed, painted, altered or externally modified or improved on any Lot: play equipment; basketball goals; window boxes; tents; greenhouses; skylights; fences; pools; hot-tubs; and banners.
- (c) Nothing shall be done or kept in any Townhome Unit or in the Common Areas which will cause an increase in the rate of insurance on any building or the contents thereof. No Owner shall permit anything to be done or kept in his Townhome Unit or in the Common Areas which will result in a cancellation of insurance on any building or any part of the Common Areas or contents thereof, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.
- (d) No noxious or offensive activity shall be carried on upon the Property, nor shall anything be done or placed thereon which is or may become an annoyance or nuisance to the neighborhood. No exterior lighting on a Lot shall be directed outside the boundaries of the Lot.
- (e) No Owner shall make or permit any disturbing noises in their Townhome Unit by himself or his family, employees, agents, tenants, lessees, or visitors, nor permit any conduct by such persons that will interfere with the rights, comforts or convenience of other Owners. In case of a dispute, at the request of an Owner, the Board shall make the final determination of

what constitutes a disturbing noise. There shall be no discharging of firearms or fireworks on the Property. Activities, which include the playing of loud music and/or having loud and/or late night parties, are prohibited before 8:00 a.m. and after 9:00 p.m.

- (f) No clothing, laundry or wash shall be aired or dried on any portion of the Property within public view. No clothes, sheets, blankets, towels, rugs, laundry or other things shall be hung out or exposed on, or so as to be visible from, any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials.
- (g) No fence, wall, tree, hedge or shrub shall be maintained in such a manner as to obstruct sight lines for vehicular traffic.
- (h) No industry, trade or other commercial or religious activity, education or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property.
- (i) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Townhome Unit or in the Common Areas or on the Property, except that pet dogs, pet cats or customary household pets may be kept in a Townhome Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. No more than two (2) such pets shall be permitted in any Townhome Unit unless prior approval and consent is obtained from the Board and the Board may delegate this authority to the Managing Agent. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner and an Owner shall be fully liable for any injury or damage to persons or property, including the Common Areas, caused by his pet. The tethering of pets in any area does not constitute "attended." Any Owner walking a pet within the Community or on any Common Area will immediately clean up any solid animal waste and properly dispose of the same. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time including, but not limited to, a requirement that any Owner desiring to bring a pet on the Property shall deposit with the Board a security deposit in an amount to be determined by the Board to cover any damage that may be caused by such pet to the Common Areas. Any such security deposit shall be returned to the Owner when the pet is permanently removed from the Property, except to the extent said deposit has been used to repair damage caused by such pet. Any requirement for the depositing of such a security deposit shall not be deemed to release or in any way limit an Owner's responsibility and liability for injury and damage caused by his pets. Any pet, which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the

Property within ten (10) days after written notice from the Board to the respective Owner to do so.

- (j) The only signs permitted on the Property shall be customary home and address signs (“Permitted Signs”). No more than one (1) Permitted Sign shall be displayed to public view on any Lot and must be less than or equal to two (2) square feet in total surface area and may not be illuminated.

No signs advertising a Lot for sale, rent, or lease shall be permitted on said Lot until such time as all of the Lots developed as a part of the Project have been sold by Declarant to an initial buyer. All signs advertising a Lot for sale, rent, or lease shall be removed within three (3) days from the date of the conveyance of the Lot or of the execution of the rental and/or lease agreement, as applicable. The design, color, message, and location of any signs advertising a Lot for sale, rent, or lease shall be subject to the review and final approval of the Homeowners Association, and no such sign shall be placed on said Lot without the prior written approval of the Homeowners Association. No more than one (1) sign advertising a Lot for sale, rent, or lease shall be permitted on said Lot.

- (k) Nothing shall be done or permitted in any Townhome Unit which will impair the structural integrity of any building or which would structurally change any building or which would affect the exterior appearance of any Townhome Unit, except as otherwise provided in the Declaration or these Bylaws. No Townhome Unit shall be used in an unlawful manner, in violation of the zoning laws in effect in St. Joseph County, Indiana, or in any manner which might cause injury to the reputation of Irish Crossings Developers LLC Townhomes or which might be a nuisance, annoyance, inconvenience or cause damage to other Owners and occupants of Townhome Units or neighboring property, including without being limited to the generality of the foregoing, noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment or machines or loud persons.
- (m) No enclosure of any kind may be placed on, over or around the patios or decks adjacent to the Units.
- (n) All Owners and members of their families, their tenants, lessees, guests, or invitees, and all occupants of any Townhome Unit or other persons entitled to use the same and to use and enjoy the Common Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Townhome Units and the Common Areas.

- (o) Trash and refuse shall be collected and stored in trash receptacles only and not solely in plastic bags. Trash and garbage receptacles shall not be permitted to remain in public view and shall remain inside of each Owner's garage except on days of trash collection. No accumulation or storage of litter, new or used building materials, or trash of any kind shall be permitted on the exterior of any Townhome Unit.
- (p) To the extent not inconsistent with federal law, exterior television and other antennae, including satellite dishes, are prohibited, unless approved in writing by the Architectural Review Board. The Architectural Review Board shall adopt rules for the installation of such antennae and/or satellite systems, which rules shall require that antennae and satellite dishes be placed as inconspicuously as possible.

Satellite dishes will not exceed eighteen (18) inches in diameter. It is the intent of this provision that the Architectural Review Board shall be able to strictly regulate exterior antennae and satellite dishes to the fullest extent of the law and should any regulations adopted herein or by the Architectural Review Board conflict with federal law, such rules as do not conflict with federal law shall remain in full force and effect.

- (q) No person shall paint the exterior of any Townhome Unit, Structure, or building, or any portion thereof, a color different than the original color of said Townhome Unit, Structure, building or portion thereof without the proposed color having been first approved in writing by the Architectural Review Board and the Association. All Townhome Units in the Community will, at all times, be painted in a uniform color, without variation.
- (r) The exteriors of all Structures, including, without limitation, walls, doors, windows and roofs, shall be kept in good maintenance and repair. No Structure shall be permitted to stand with its exterior in an unfinished condition for longer than six (6) months after the commencement of construction. In the event of fire, windstorm or other damage, the exterior of a Structure shall not be permitted to remain in a damaged condition for longer than three (3) months, unless expressly excepted by the Board of Directors in writing. Absent approval from the Architectural Review Board to the contrary, all maintained, repaired, or replaced roofs and other structure exterior shall be the same color and texture as the original roof and other structure exterior.
- (s) Except for any fencing installed by the Developer on any Lot or in any Common Areas, no fence or similar enclosure shall be erected or built on any Lot.

- (t) No inoperable, junk, unregistered or unlicensed vehicle shall be kept on the Property. No portion of the Property shall be used for the repair of a vehicle.
- (u) No commercial or industrial vehicle, such as but not limited to moving vans, trucks, tractors, trailers, vans, wreckers, tow trucks, hearses and buses, shall be regularly or habitually parked or parked overnight on the Property, except upon the prior written approval of the Architectural Review Board.
- (v) No recreational vehicles or equipment, such as but not limited to boats, boating equipment, jet-skis, wave runners, mobile homes, travel trailers, camping vehicles or camping equipment shall be parked on the Property without the prior, written approval of the Architectural Review Board, as to location, size, screening, and other relevant criteria. The Association shall not be required to provide a storage area for these vehicles.
- (w) The Board of Directors shall have the right to tow any vehicle parked or kept in violation of the covenants contained within this Article, at the vehicle owner's sole expense.
- (x) Any conversion of any garage that will preclude the parking of vehicles within that garage is prohibited. Owners shall keep their garages at all times in a manner and condition that will permit the use of such garage for parking of at least two (2) conventional passenger vehicles, vans and/or trucks.
- (y) The Declarant or its assigns, or any Designated Builder, may, during its construction and/or sales period, erect, maintain and operate real estate sales and construction offices, model homes, displays, signs and special lighting on any part of the Property and on or in any building or Structure now or hereafter erected thereon and shall not be bound by the provisions of this Article to the extent application thereof would delay, hinder or increase the cost of construction and/or marketing of Dwelling Units for sale in the Community.
- (z) Any holiday or seasonal decorations or ornamentation that is placed on the exterior of a Townhome Unit or Structure shall be first approved by the Architectural Review Board. The time period during which such decorations and/or ornamentation shall be permitted to be placed on the exterior of a Townhome Unit or Structure shall be determined by the Architectural Review Board, at its sole discretion.
- (aa) No decorations, adornments, or items including, but not limited to, signs, placards, beverage containers, or posters shall be permitted to be placed in any window of a Townhome Unit or structure. Notwithstanding the

foregoing, this provision shall not prevent the following decorations and/or adornments from being placed in Townhome Unit windows: curtains, drapes, blinds, candles, lights, or plants. No window boxes containing flowers or any other vegetation shall be erected or attached to any Townhome Unit.

- (bb) Each Owner shall maintain any and all coach lights installed as a part of the initial construction of each Townhome Unit or garage entrance lights in good order, condition and repair, including, without limitation, any necessary repairs or maintenance as may be required for the effective operation of all “dusk to dawn” photocell switches and replacement of light bulbs so that those coach lights and garage entrance lights remain continuously operational from dusk to dawn.
- (cc) No more than two (2) conventional passenger vehicles, vans and/or trucks shall be parked in a driveway of or to a Lot at a time. The Owner, its tenants, lessees, or invitees, shall be permitted to park one (1) conventional passenger vehicle, van and/or truck in the On-Street Parking Space appurtenant to the Owner’s particular Townhome Unit and designated in the Plat. No more than four (4) total vehicles, vans and/or trucks shall be parked on a Lot, including the garage, the driveway, and the On-Street Parking Space appurtenant to the Lot, at a time.
- (dd) No person including, but not limited to, Owners, tenants, lessees, or occupants (which such terms shall include assignees, permittees or designees of each) of a Townhome Unit, shall be permitted to charge a fee or collect or accept monies from a third party in exchange for permitting said third party to park any vehicle, of any nature whatsoever, anywhere on the Property.
- (ee) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas, except with the express permission from the Board.
- (ff) No Owner or tenant shall be allowed to place or cause to be placed in Common Areas, any furniture, packages or objects of any kind, without the consent of the Board. The rules and regulations of the Association may set forth the standards to implement the intent of this provision.
- (gg) No use shall be made of any part of the Property which violates these restrictions, or the rules and regulations of the Association, and all Owners, members of their families, their guests, tenants, lessees, invitees, and all occupants or other parties entitled to use or who may use any part of the Property shall at all times fully comply with the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained

and described in the Declaration, these Bylaws, and the rules and regulations of the Association.

- (hh) All Common Areas and Facilities shall be used only for the purposes for which they are designed and intended, and shall be used subject to the Declaration, these Bylaws, and the rules and regulations from time to time adopted by the Board.
- (ii) The Association shall have the authority to adopt such rules and regulations regarding this Article as it may from time to time consider necessary or appropriate.
- (jj) The failure of the Board of Directors, the Architectural Review Board, or the Developer to object to an Owner or another Person's failure to comply with the covenants and restrictions contained herein shall in no event be deemed a waiver by the Board of Directors, or any other person having an interest herein, of its rights to object to the same and to seek compliance therewith in accordance with the provisions of this Declaration.

Section 6.2. ***Owner to Enforce Restrictive Covenants.*** Owners shall be responsible for enforcing the restrictive covenants set forth in Article VI of the Declaration and Article VI herein against any tenant, lessee, household member, or guest of said Owner who shall occupy or visit any part of the Townhome Unit owned by said Owner and/or the Property.

Section 6.3. ***Fine for Owner's Failure to Enforce Restrictive Covenants.*** In the event that the Owner fails and/or refuses to enforce any restrictive covenants set forth in the Declaration and/or these Bylaws against a tenant, lessee, occupant, household member, or guest of said Owner's Dwelling Unit, said Owner shall be subject to a fine in an amount determined by the Board of Directors, at the Board of Directors' sole discretion. In the event that the Owner fails to pay said fine, the fine shall become a lien on the Owner's Lot.

Section 6.4. ***Right of Entry.*** All Owners and Occupants of a Townhome Unit shall be deemed to have granted the right of entry thereto to the Board or any person authorized by the Board in case of any emergency originating in or threatening his Townhome Unit or the building in which it is located, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his Townhome Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.5. ***Right of Board to Adopt Rules and Regulations.*** The Board may promulgate such additional rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and/or any water features on the Property as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board, and the Board shall cause copies of such rules and regulations and all amendments thereto to be delivered to and mailed promptly to all Owners.

Section 6.6. ***Interpretation of Bylaws and Covenants.*** The Board of Directors shall have the power, authority and obligation to determine all matters affecting or relating to the interpretation, application and enforcement of the Bylaws and restrictive covenants set forth in this Article VI of the Bylaws. Any decision or determination made by the Board pursuant to its powers and obligations as set forth in this paragraph shall be deemed binding upon all parties and all Owners unless it shall be shown that said determination was made in bad faith with an intent to unfairly discriminate between Owners or was made in contravention of the express terms and conditions of the Declaration and/or Bylaws.

ARTICLE VII RENTAL OR LEASE OF TOWNHOME UNITS

Section 7.1. ***Rental or Lease of Townhome Unit Permitted.*** In the event that a Dwelling Unit is rented for a period of more than seven (7) days, the Owner may rent and/or lease said Dwelling Unit to no more than four (4) persons for occupation by no more than four (4) persons. In the event that a Dwelling Unit is rented to one (1) or more persons (but in no event no more than four (4) persons) for a period of seven (7) days or less, no more than the number of permitted occupants as set forth in the controlling ordinances, rules, and regulations of Saint Joseph County and/or the City of South Bend may occupy the Dwelling Unit at one time.

Section 7.2. ***Written Rental Agreements Required.*** All rental and/or lease agreements for a Townhome Unit must be in writing and must be subject to the rules and regulations set forth in this Declaration, these Bylaws, and in the other Association documents. Owners must provide the Association with a copy of every rental and/or lease agreement. Owner shall not be required to disclose the amount and/or price at which Owner is renting and/or leasing the Dwelling Unit to a third party and shall be permitted to omit same from the copy of any rental/lease agreement provided by Owner to the Association in accordance with this section

Section 7.3. ***No Minimum Lease or Rental Term.*** The rental and/or lease agreement for a Townhome Unit shall not be subject to a minimum rental and/or lease period.

Section 7.4. ***Sub-Leasing Prohibited.*** No subletting of a Townhome Unit or any portion thereof shall be permitted.

Section 7.5. ***Owner to Enforce Declaration.*** Every such rental and/or lease agreement must include a provision stating that any failure by the tenant or lessee, its household members or guests, to comply with the terms of the Declaration and/or these Bylaws shall be a default under the rental and/or lease agreement, and the Owner shall be responsible for enforcing that provision.

ARTICLE VIII AMENDMENT TO BYLAWS

Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration, these Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration. Amendments to these Bylaws shall be considered as amendments of the Declaration and shall be recorded in the office of the Recorder of St. Joseph County, Indiana, as required by the Declaration and the Act.

ARTICLE IX MORTGAGES

Section 9.1. ***Notice to Association.*** Any Owner who places a first mortgage lien upon his Townhome Unit or the Mortgagee shall notify the Secretary of the Association thereof and provide the name and address of the Mortgagee. A record of such Mortgagee's name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these Bylaws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration or these Bylaws shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of the Declaration or these Bylaws or proxy granted to such Mortgagee in connection with the mortgage.

The holder, insurer or guarantor of any mortgage on any unit shall be given timely notice by the Association of:

- (a) any casualty loss that affects either a material portion of the Project or the Townhome Unit securing its mortgage;
- (b) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owners of any Townhome Unit on which it holds the mortgage;
- (c) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

- (d) any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

Such information shall only be supplied to mortgage holders or guarantors upon receipt of a written request therefore, specifying the Townhome Unit number on which it holds a mortgage or for which it has guaranteed a mortgage.

Section 9.2. **Notice of Unpaid Assessments.** The Association shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Townhome Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments against the Townhome Unit, which statement shall be binding upon the Association and the Owners, any Mortgagee or grantee of the Townhome Unit shall not be liable for nor shall the Townhome Unit conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 5.2 hereof.

ARTICLE X MISCELLANEOUS

Section 10.1. **Fiscal Year.** Unless changed by resolution of the Board of Directors prior to December 31, 2007, the fiscal year of the Association shall begin on the first day of January in each year and end on the last day of December next following.

Section 10.2. **Seal.** The Association may have and use a seal, which seal (if one is adopted) shall be circular in form and mounted upon a metal die, suitable for impressing the same upon paper. About the upper periphery of the seal shall appear the words "IRISH CROSSINGS DEVELOPERS LLC TOWNHOMES HOMEOWNERS ASSOCIATION," and about the lower periphery thereof the word "Indiana." In the center of the seal shall appear the word "Seal." PROVIDED HOWEVER, that the use of said seal or an impression thereof shall not be required upon and shall not affect the validity of any instrument whatsoever.

Section 10.3. **Membership Certificates.** Each Member of the Association may receive a certificate from the Association signed by the President or Vice President, and Secretary or Assistant Secretary thereof, stating that he is a member of the Association. Such certificates shall be non-transferable and a Member's certificate shall become void and of no force and effect upon sale by a Member of his Townhome Unit. Such membership certificates shall be in a form and style determined by the Board.

ARTICLE X OPTIONAL NOT-FOR-PROFIT CORPORATION PROVISION

In the event the Association forms a Not-For-Profit Corporation as provided in the Declaration, then these Bylaws shall become the Bylaws of the Corporation.

IRISH CROSSINGS DEVELOPERS LLC,
an Indiana limited liability company.

By: _____
Thomas L. Troeger

Its: Managing Member

STATE OF INDIANA)
) SS:
_____ COUNTY)

Before me, a Notary Public in and for said County and State, personally appeared Thomas L. Troeger, the Managing Member of Irish Crossings Developers, LLC who acknowledged the execution of the foregoing document on behalf of said limited liability company.

WITNESS my hand and Notarial Seal this _____ day of _____, 2007.

(written)

My Commission expires:

County

(printed) NOTARY PUBLIC
Resident of _____