

CODE OF BY LAWS
OF
MARINER'S RIDGE COMMUNITY ASSOCIATION

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DULY ENTERED FOR TAXATION

CODE OF BY-LAWS

OF

MARINER'S RIDGE

ARTICLE I

Section 1.01 - Definitions

- A. "Project" means the property and appurtenant easements, the buildings, improvements, and property of every kind and nature whatsoever, real, personal or mixed, located upon the Property known as Mariner's Ridge, an addition to the City of Fort Wayne, Indiana, and used in connection with the operation, use and enjoyment of the Mariner's Ridge Community Association hereinafter called "Association". It is hereby contemplated by the Plator that additional areas may be platted and added to the Project.
- B. "Association" means and refers to Mariner's Ridge Community Association, an Indiana Not-For-Profit Corporation, an Association of the home owners of Mariner's Ridge .
- C. "Common Area" means the common areas and facilities appurtenant within the Property as defined in Section 6.01, Item 1 of the Code of By-Laws.
- D. Plator means the person, firm, corporation, or other legal entity causing plats to be prepared and recorded and who is owner of the ground being platted.
- E. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who owns the fee simple title to a lot in Mariner's Ridge and who holds membership in the Association.
- F. "Common Expenses" means expenses of administration of the Association and expenses for the upkeep, maintenance, and repair of the Common Areas and all sums lawfully collectible against the members by the Association or the By-Laws.
- G. "Board of Directors" means the governing body of the Association elected by the owners in accordance with the By-Laws.
- H. "By-Laws" means the By-Laws of the Association providing for the administration and management of the Project.

Section 1.02 - Identification and Applicability

These By-Laws are adopted simultaneously with the execution of the protection restrictions, covenants, limitations, and easements for Mariner's Ridge, Section 2, an addition to the City of Fort Wayne, Indiana, to which these By-Laws are attached and made a part thereof. The provisions of these By-Laws shall apply to the property and the administration and conduct of the affairs of the Association.

Section 1.03

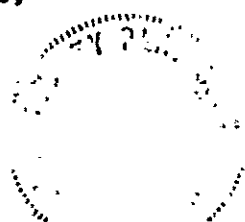
All of the members in good standing of the Association, their families or their guests or invitees shall be subject to the rules,

ONLY CHIEF FOR TAXATION

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James N. Viebeck
REGISTER OF ALLEI COINTE

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ARTICLE II

MEETINGS OF ASSOCIATION

Section 2.01 - Purpose of Meetings

The meetings of the Owners shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Expenses, and for such other purposes as may be required by these By-Laws.

Section 2.02 - Annual Meetings

The annual meeting of the members of the Association shall be held on the _____ day of _____ in each calendar year. At the annual meeting the Owners shall elect the Board of Directors of the Association with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03 - Special Meetings

A special meeting of the members of the Association may be called by the President by a majority of the Board of Directors or upon a written petition of a one-tenth (1/10th) of either the Class A or Class B members of the Association. The 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.

Section 2.04 - Notice and Place of Meetings

All meetings of the members of the Association shall be held at any suitable place in Allen 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 Owner not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Association. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05 - Voting

(A) Voting Rights in Association. The Association shall have two classes of voting membership:

1. Class A - Class A members shall be all those owners electing to join the Association with the exception of the Plator. Class A members shall be entitled to one (1) vote for each lot in which they hold title. When more than one person holds such title all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no

event shall more than one vote be cast with respect to a lot.

2. Class B - The Class B member(s) shall be the Plator, the Class B member(s) shall be entitled to three (3) votes for each lot in which it holds title, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events whichever occurs earlier:
- (i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
 - (ii) on January 1, 1984.
- (B) Number of Votes. Each Class A Owner shall be entitled to cast one vote per lot owned and each Class B Owner shall be entitled to cast three votes per lot owned on each matter coming before the meeting.
- (C) Multiple Owner. Where the Owner constitutes more than one person, or is a partnership, there shall be only one voting representative entitled to all the Vote allocable to that Lot. At the time of acquisition of title to a Lot by a multiple Owner, those persons constituting such Owner shall file with the Secretary of the Association a written declaration designating one of such persons as the voting representative for such lot, which shall remain in effect until 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. If no written declaration is filed the vote shall be held in common by the Owners. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section 2.05, which shall not constitute a permanent relinquishment of his right to act as voting representative for the lot.
- (D) Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustees 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 shall cast the Vote to which the corporation is entitled.
- (E) 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 Association prior to the commencement of the meeting, but said proxy shall not be valid eleven (11) months after execution unless a longer time is expressly provided on the face thereof.
- (F) Quorum. Except where otherwise expressly provided in these By-Laws, members or qualified proxy's present, representing 10% of each class-eligible to vote shall constitute a quorum at all meetings.
- (G) Conduct of Meeting. The Chairman of the meeting shall be the President of the Association. He shall call the meeting to order at the duly designated time and business will be conducted in the following order:
- (1) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

(2) 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.

(3) Budget. The proposed budget for the current calendar year shall be presented to the owners for approval or amendment.

(4) 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 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 the total number of votes to which he is entitled 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.

(5) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least ten (10) 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 each class of Owners entitled to vote.

(6) Adjournment.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. 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 shall be composed of three persons. No person shall be eligible to serve as a Director unless he is an Owner or is an officer or director of Owner.

Section 3.02. Initial Board of Directors and Term of Office.

The initial Board of Directors shall be Gerold G. Howard, David C. Meek and Donald N. Landgraff, all of whom are officers or directors of Owner. Gerold G. Howard shall serve a term of seven (7) years, David C. Meek shall serve a term of five (5) years and Donald N. Landgraff shall serve a term of three (3) years; and at each annual meeting thereafter the members shall elect a director for a term of three (3) years to replace the outgoing director.

Section 3.03. Additional Qualifications.

Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trust shall be eligible to serve on the Board of Directors, except that no single lot owned by individual or a partnership may be represented on the Board of Directors by more than one person at a time.

Section 3.04. Vacancy.

Any vacancy or vacancies occurring in the Board shall be filled by a vote of

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a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.05 of this Article III.

Section 3.05. Removal of Directors.

A Director or Directors may be removed with or without cause by vote of a majority of each class eligible to vote at a special meeting of the Owners duly called and constituted. 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 3.06. Duties of the Board of Directors.

The Board of Directors shall provide for the administration of the Mariner's Ridge Code of By-Laws. The maintenance, upkeep and replacement of the Common Areas, and the collection and disbursement of the Common Expenses.

These duties include, but are not limited to:

- (a) protection, surveillance and replacement of the Common Areas;
- (b) landscaping, painting, decorating and furnishing of the Common Areas;
- (c) solicitation and collection from the Owners of the Owner's pro rata share of the Common Expenses;
- (d) preparation of an 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;
- (e) 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 annual budget;
- (f) 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.

Section 3.07. Powers of the Board of Directors.

The Board of Directors shall have such powers as 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 or a real estate management company (either being hereinafter referred to as "Managing Agent" or "Manager") to assist the Board in performing its duties;
- (b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
- (c) to procure for the benefit of the Owners fire and extended coverage insurance covering the Buildings and the Property to the full insurable value thereof 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;
- (d) 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 Mariner's Ridge.

- (e) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;
- (f) to open and maintain a bank account or accounts in the name of the Association;
- (g) to adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation and enjoyment of the project.

Section 3.08. Limitation on Board Action.

The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$5,000.00 without obtaining the prior approval of a majority of each class eligible to vote, except in the following cases:

- (a) contracts for replacing or restoring portions of the Common Areas or Limited 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.

Section 3.09. Compensation.

No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of each class of Owners eligible to vote,

Section 3.10. Meetings.

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 Directors. The Secretary shall give notice of regular meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

Special meetings of the Board may be called by the President or any two 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 three (3) 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. Such meeting shall be held at such place and at such time within Allen County, Indiana, as shall be designated in the notice.

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 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 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 Owners shall indemnify and hold harmless 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 Mariner's Ridge unless any such contract shall have been made in bad faith or contrary to the provisions of the By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of Mariner's Ridge or the Association and that in all matters the Board is acting for and on behalf of the Owners and as their 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 his Percentage Interest. Every contract made by the Board on behalf of Mariner's Ridge shall provide that the Board of Directors, as the case may be, is acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners and then only to the extent of their Percentage Interest.

Section 3.14. Additional Indemnity of Directors.

The Owners shall indemnify any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Association, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any 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 Owners shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of each class of Owners eligible to vote 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 of Mariner's Ridge 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.

ARTICLE IV

OFFICERS

Section 4.01. Officers of the Association.

The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board.

The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers.

The officers of the Association shall be elected annually by the Board at the initial meeting of each new Board. 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 4.03. The President.

The President shall be elected from among the Directors and shall be the chief executive officer of the 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 4.04. 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 By-Laws may prescribe or shall, from time to time, be imposed upon him by the Board or by the President.

Section 4.05. The Secretary.

The Secretary shall be elected from among the Owners after the initial period of two (2) years of operation during which time 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 By-Laws.

Section 4.06. The Treasurer.

The Board shall elect from among the Owners, a Treasurer. The Treasurer will be elected after the initial period of two (2) years of operation during which time the Treasurer shall be elected from among the Directors. The Treasurer shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and 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 in the name of the Association. The Treasurer shall approve payment vouchers but only with the co-signature of the President or Vice President.

Section 4.07. Assistant Officers.

The Board of Directors may, from time to time, designate and elect from among

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 By-Laws or the Board of Directors may prescribe.

ARTICLE V

ASSESSMENTS

Section 5.01. Annual Accounting.

Annually, after the close of each calendar year and prior to the date of the annual meeting of the Association, the Board shall cause to be prepared and furnished to each member a financial statement, which statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year.

Section 5.02. 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 ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year and furnish a copy of such proposed budget to each member prior to the annual meeting. The annual budget shall be submitted to the member 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 ensuing calendar year. At the annual meeting of the members, the budget may be approved in whole or in part or may be amended in whole or in part by a majority of each class eligible to vote; provided, however, that in no event shall the annual meeting of the Members be adjourned until an annual budget is approved at such meeting, either the proposed annual budget or the proposed annual budget as amended.

Section 5.03. Regular Assessments.

The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each Lot based on the percentage interest of each Lot. Immediately following the adoption of the annual budget, each Member shall be given written notice of such assessment against each respective Lot (herein called the "Regular Assessment"). The Regular Assessment against each Lot shall be paid in equal monthly installments, commencing on the first day of the month following the adoption of the budget and on the first day of each calendar month thereafter until the regular assessment is revised. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or their Designee.

Section 5.04. 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 Members, unless otherwise provided in these By-Laws, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall be pro rated in accordance with the Percentage Interest of each Lot (herein called "Special Assessment").

Section 5.05. Failure of Member to Pay Assessments.

Each Member shall be personally liable for the payment of all Regular and

Special Assessments. If any Member shall fail, refuse or neglect to make any payment of any Regular or Special Assessment when due, the Board may, at its option, bring a suit to recover a money judgment for any unpaid Regular or Special Assessment. In any action to recover a Regular or Special Assessment, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective lot. The consent of the recovery of the cost of collection is deemed given by an Owner's acceptance of membership.

ARTICLE VI

RESTRICTIONS ON USE

Section 6.01. Restrictions on the use and enjoyment of the Common Areas, Limited Areas and the Property shall be applicable to Mariner's Ridge as follows:

1. Common Areas are defined as those areas deeded to the Association by the Plator and prescribed by the Board for use by the membership. There shall be no obstruction of the Common Area. There shall be nothing stored in the Common Area without prior consent of the Association.
2. There shall be no violation of Rules for the use of the Common Area adopted by the Association and furnished in writing to the Members, and the Association is authorized to adopt such Rules.
3. The right of the Plator (and its sales agents and representatives) to the non-exclusive use of the Common Areas and the facilities thereof is hereby reserved; provided, however, that such use shall not be for a period of more than seven (7) years after the conveyance of the first lot.
4. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and facilities to the Members of his family, his tenants, or contract purchasers who reside on the property.

Section 6.02. 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 Limited Areas, 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 to be delivered or mailed promptly to all Owners.

ARTICLE VII

AMENDMENT TO BY-LAWS

Section 7.01.

These By-Laws may be amended by a vote of not less than seventy-five per cent