

**Code of By-laws of
Saddlebrook South Homeowners Association, Inc.
An Indiana Nonprofit Corporation
Adopted by the Board of Directors August 20, 2020**

**ARTICLE I
IDENTIFICATION, MEMBERSHIP AND DEFINITIONS**

SECTION 1.1 Name. The name of this corporation is Saddlebrook South Homeowners Association, Inc. (hereinafter referred to as “Association”).

SECTION 1.2 Membership in Corporation. Each Owner of a lot shall automatically be a Member of the Corporation and shall remain a Member until such time as his/her ownership of a Lot ceases. Membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of such Lot.

SECTION 1.3 Definitions. The following definitions apply throughout these By-Laws:

- a. “Articles” or “Articles of Incorporation” means the Articles of Incorporation of Saddlebrook South Homeowners Association, Inc.
- b. “Common Area” means the ground designated as “Block” or as “Common Area” upon the final plats of Saddlebrook South subdivision. The Common Areas shall be subject to easements for drainage and utilities, as further described in the Plat Covenants and the Declaration.
- c. “Common Expense” means expenses for administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Common Areas, and all sums lawfully addressed against the Members of the Corporation.
- d. “Corporation” means Saddlebrook South Homeowners Association, Inc., its successors and assigns, whose members shall be the Owners of Lots in the Saddlebrook South Subdivision. The terms “Corporation” and “Association” may be used interchangeably to refer to Saddlebrook South Homeowners Association, Inc.
- e. “Declaration” or “Declaration of Covenants” means the Declaration of Covenants and Restrictions for Saddlebrook South recorded in the Office of the Recorder of Marion County, Indiana.
- f. “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.
- g. “Saddlebrook” shall mean the entire subdivision developed as Saddlebrook South. The platted sections comprising Saddlebrook South are as follows: Plat Covenants are recorded along with each Section of Saddlebrook South. This Association shall neither include Saddlebrook North nor The Saddlebrook, each of which has its own homeowner’s association.

**ARTICLE II
PURPOSES OF THE CORPORATION**

SECTION 2.1 Purposes. The Corporation has the following purposes and functions:

- a. Maintain the value and appearance of the Saddlebrook South subdivision;
- b. Provide for the maintenance, repair, upkeep, replacement, administration, operation and ownership of the Common Areas;
- c. Enforce covenants and Architectural Design and Environmental Control of the subdivision for the mutual benefit of all Owners;
- d. Pay taxes assessed against and payable with respect to the Common Areas;
- e. Pay any other necessary expenses and costs in connection with the Association; and
- f. Perform other functions as may be designated in the Articles, these By-Laws, the Declaration, or as otherwise permitted by law.

**ARTICLE III
OWNERS' MEETINGS**

SECTION 3.1 Annual Meeting. The annual meeting of the Owners shall be held at a date, time and place to be determined by the Board of Directors (also referred to as the "Board"). The purpose of the meeting is to elect Directors, approve an annual budget and regular assessment, and for the transaction of other such business as may come before the meeting.

SECTION 3.2 Special Meetings. Special meetings of the Owners may be called by the President, by resolution of the Board or upon a written petition of the Owners of not less than fifteen percent (15%) of the total number of Lots. 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 3.3 Meeting Location. The Board shall designate the place of the meeting. A reasonable attempt will be made to hold the meeting within 10 miles of the subdivision.

SECTION 3.4 Notice of Meeting. Written notice, stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Owner by the Secretary or the Managing Agent, no less than ten (10) days before the date of the meeting. Notice can be delivered personally, by mail, or by email. Any email notice delivered to the Members as part of a newsletter or other publication regularly sent to the Members constitutes proper notice. Unless an Owner provides the Secretary of the Corporation with written instructions to the contrary, notice may be sent or delivered to the address of the Lot.

SECTION 3.5 Quorum. Ten percent (10%) of the Owners, represented in person or by proxy, shall constitute a quorum at a meeting of the Owners. In the event that a quorum is not present, the meeting may be adjourned to another date and time, with or without

further notice, as determined by the Board. After a quorum is represented, the vote is considered present for quorum purposes for the remainder of the meeting, notwithstanding the withdrawal of enough Owners to leave less than a quorum. However, no issue which has not been specifically described in the notice of meeting may be decided unless at least one-third (1/3) of Owners are represented, in person or by proxy, at the meeting.

SECTION 3.6 Proxies. At all meetings of the Owners, an Owner may vote in person or by written proxy. Proxies shall be filed with the Secretary or managing agent before or at the time of the meeting. Every proxy shall be specific for an Annual or Special meeting, or its adjourned date, unless otherwise specified in the proxy. .

SECTION 3.7 Voting by Mail-In Ballot. The Board may determine that one or more issues be voted upon by mail-in ballot, either in conjunction with an Annual or Special meeting or as a substitute for the holding of a meeting. In the event that the Board elects to permit mail-in ballots, ballots shall be mailed or delivered to each Owner at least 14 days prior to the voting deadline, and ballots must be received for at least ten percent (10%) of all eligible Owners.

SECTION 3.8 Majority Required. A majority of the votes of Owners present (in person or by proxy) at a meeting of the Owners at which a quorum is present shall be sufficient for the transaction of all business of the Association except on matters where a greater vote is required by the Declaration, the Articles, the By-Laws or by statute.

SECTION 3.9 Voting. In no event shall more than one person exercise a Lot's vote and no Lot's vote shall be split. Cumulative voting shall not be permitted.

ARTICLE IV BOARD OF DIRECTORS

SECTION 4.1 Qualifications of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he or she is an Owner. 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 trustee shall be eligible to serve on the Board, except that no single Lot may be represented on the Board by more than one person at a time. Potential and current Directors must be in good standing and have no outstanding monies owed to the Association.

SECTION 4.2 General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

SECTION 4.3 Number, Tenure and Qualifications. The Corporation may have not less than three Directors and may have up to seven Directors. Each Director shall hold office until his or her successor is elected. Any increase or decrease in the number of Directors shall be approved by the Owners.

SECTION 4.4 Term of Office. A Director will be elected for a term of three (3) years, which terms shall be staggered so that the terms of approximately one-third (1/3) of the Directors shall expire annually. Terms begin on the first day of the following calendar year. Each Director shall hold office through the term of his or her election and until his or her successor is elected and successor's term begins. Unless a Director is removed by the Owners under Section 4.11, any vacancy shall be filled by a vote of a majority of the remaining Directors. The Director filling a vacancy shall serve until the next annual meeting of the Owners and until his or her successor is elected, at which time a special election shall be held to elect a Director to serve the remainder of the term, if any, of the vacancy.

SECTION 4.5 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of Directors. No written or verbal notice need to be given to Directors for regularly scheduled Board meetings of which the Directors are already aware.

SECTION 4.6 Special Meetings and Notice. Special meetings of the Board may be called by or at the request of the President or a written request that is submitted and signed by two-thirds of the Directors. In either event, the President shall fix the Board meeting time, which shall be no later than seven days after a request for a special meeting has been made. The President or Secretary shall give notice at least five (5) days prior to the date of such meetings, either in person, through email or by text. The notice of the meeting shall contain a statement of the purpose for which the meeting is called and information on the time and location.

SECTION 4.7 Open Board Meetings

As and to the extent required by the HOA Act or any other applicable law, meetings of the Board of Directors shall be open to attendance by the homeowner members of the Association. The Board may meet in private "executive sessions" to discuss owner delinquencies, contract negotiations (i.e. bids), pending and current litigation with legal counsel, and legally confidential employment matters. The Board may adopt rules, regulations and procedures regarding administration of such meetings, including regulation of matters such as Owner participation, time limits for speaking, scheduling, agendas, and other administrative issues consistent with Indiana law, the Declaration and these By-Laws. It is recognized and understood that there may, from time to time, be disagreements with regard to certain issues. Notwithstanding such disagreements, Owners agree to conduct themselves at meetings in an appropriate, reasonable and adult-like fashion, and to abide by all rules and regulations governing administration of meetings as adopted by the Board. In the event that an Owner is repeatedly disruptive despite multiple warnings, makes threats of physical harm, commits an illegal or violent act, or otherwise acts in a threatening, violent, hostile, or unduly aggressive fashion, said Owner may be immediately removed from the meeting. In the event that the same Owner repeatedly acts in a hostile, threatening or violent manner at meetings, or is removed from two (2) consecutive meetings, said Owner may have his or her rights to attend Board and membership meetings temporarily suspended at the discretion of the Board. The duration

of such suspension shall be determined by the Board, factoring in the egregiousness of the Owner's conduct and the potential threat to the health, safety and welfare of other Owners.

SECTION 4.8 Electronic Participation in a Meeting. To the extent provided by statute, a Director may conduct or participate in a regular or special meeting of the Board through the use of conference telephone or any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is considered to be present in person at the meeting.

SECTION 4.9 Quorum. At least fifty percent (50%) of the number of directors eligible to attend and vote shall constitute a quorum 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 4.10 Action Without a Meeting. Any action that may be taken by the Board at a meeting may be taken without a meeting if a consent, in writing, setting forth the action to be taken shall be signed by all of the Directors. Such written consent shall be filed with the minutes of the proceedings of the Board. A consent submitted by email or text is considered a written consent.

SECTION 4.11 Removal of Directors.

- a. A Director may be removed with or without cause by a majority vote at a meeting of the Owners, duly called for such purpose where quorum is present. In such case, his or her successor shall be elected at the same meeting, to serve until the next annual meeting.
- b. A Director may be removed with cause by a majority vote at a meeting of the Directors, duly called for such purpose where quorum is present. For purposes of this section cause shall be defined as nonpayment of assessment, covenant violations, failure to attend meetings, and/or violations of the Board's Code of Ethics policy. Any vacancy shall be filled by a vote of a majority of the remaining Directors. The Director filling a vacancy shall serve until the next annual meeting of the Owners and until his or her successor is elected, at which time a special election shall be held to elect a Director to serve the remainder of the term, if any, of the vacancy.

SECTION 4.12 Duties of the Board of Directors. The Board shall be the governing body of the Corporation representing all of the Owners and be responsible for the functions and duties of the Corporation, including, but not limited to, the management, maintenance, repair, upkeep and replacement of the Common Areas and the collection and disbursement of the Common Expenses.

SECTION 4.13 Managing Agent. The Board may on behalf of the Corporation, employ a reputable and recognized professional property management agent upon such terms as the Board shall find, in its discretion, reasonable and customary, provided any such management agreement shall be for a term of three (3) years or less and shall terminate upon ninety (90) days written notice to the other party.

SECTION 4.14 Powers of the Board of Directors. The Board shall have such powers as are reasonable and necessary to accomplish its duties. These powers include, but are not limited to, the power to:

- a. Promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations (in addition to those set forth in these By-Laws or in the Declaration) with respect to use, occupancy, operation and enjoyment of the Common Areas and all areas of the Tract as the Board, in its discretion, deems necessary or advisable. Copies of additional rules and regulations adopted by the Board shall be promptly delivered or mailed to all Owners; and
- b. Grant permits, licenses and easements over the Common Area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the subdivision.
- c. Create advisory committees from time to time to provide assistance to the Board in carrying out its responsibilities. All committees will report to the Board, be composed of no fewer than three (3) members and will contain at least one Director. Committees can be dissolved by the Board at any time. Committee members will be appointed by the Board. Committee members will not be entitled to any compensation for services performed on behalf of the Association or Board.

SECTION 4.15 Limitation on Board Actions. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500 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 Area damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
- b. Contracts and expenditures expressly approved by the Owners in the annual budget; and
- c. Expenditures necessary to deal with emergency conditions where the Board reasonably believes there is insufficient time to call a meeting of the Owners.

SECTION 4.16 Compensation. No Director shall receive compensation for any service he or she may render to the Association as such Director. However, a Director may be reimbursed for actual expenses incurred in the performance of his or her duties. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

SECTION 4.17 Indemnification of Directors and Officers. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director or officer of the Association shall be indemnified by the Association to the same and fullest extent that directors of nonprofit corporations are indemnified under the Indiana Nonprofit Corporation Act of 1991, as it now exists or as hereinafter amended. The Corporation shall indemnify, hold harmless and defend 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 Corporation,

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 to matters in which it shall be adjudged in such action, suit or proceeding that such Director is liable for bad faith, gross negligence or willful misconduct in the performance of his duties. The Corporation shall also reimburse any such Director the reasonable costs of settlement of or judgement rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence, bad faith or willful 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 gross negligence or willful misconduct in the performance of his duties, where, acting in good faith, such Director relied on the books and records of the Corporation or statements or advice made or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation 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 4.18 Bond. The Board shall provide blanket fidelity bonds for the Managing Agent, Treasurer and other officers or Directors that handle or are responsible for funds, indemnifying the Corporation 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 and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bond shall be a Common Expense.

ARTICLE V OFFICERS

SECTION 5.1 Officers. The officers of the Corporation shall be a President, Secretary and Treasurer, all of whom shall be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create. The offices of Secretary and Treasurer may be held by the same person.

SECTION 5.2 Election and Term of Office. Officers shall be elected annually by the Board, at the first meeting of the Board held at the beginning of the calendar year. Each officer shall hold office until a successor is duly elected or until their death, resignation or removal as hereinafter provided.

SECTION 5.3 Removal. Any officer or agent may be removed by a majority vote of the Board whenever, in its judgment, the best interests of the Corporation will be served thereby.

SECTION 5.4 President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board, shall supervise and direct all of the business and affairs of the Corporation. The President shall, when present, preside at all meetings of the Owners and the Board, shall have and discharge all the general powers and duties usually vested in the office of the president or chief executive officer of a nonprofit corporation organized under the laws of Indiana, including, but not limited to, the power to appoint committees from among the Owners as he or she 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 5.5 Secretary. The Secretary shall attend all Association meetings and shall keep or cause to be kept a true and complete record of meeting proceedings, shall authenticate the Association's records, 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 see that all notices of the Association or the Board are duly given, mailed, emailed, or delivered, in accordance with these By-Laws.

SECTION 5.6 Treasurer. The Treasurer shall work with the Managing Agent to 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. The Treasurer shall be legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He or she shall immediately deposit all funds of the Association in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name and for the exclusive benefit of the Association. The Treasurer may permit the Managing Agent to handle and account for monies and other assets of the Association to the extent appropriate as part of his or her duties.

ARTICLE VI ARCHITECTURAL CONTROL

SECTION 6.1 Purposes. The Architectural Control Committee (also referred to as the "ACC") shall regulate the external design, appearance, use and location of improvements within the subdivision in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.

SECTION 6.2 Architectural Control Guidelines. The Board shall have the authority to establish, amend, and revoke Architectural Control Guidelines (also referred to as "Guidelines" in this Article) for the subdivision and Association, which shall be binding upon all Owners and all others, who in any way use, occupy or benefit from the subdivision, or any part thereof. The Guidelines shall not be inconsistent with any covenant, or provision of the Declaration or in the Plat Covenants and shall not be retroactively applied. The Guidelines may be amended by the Board or upon recommendation by the ACC, at any time and from time to time, so long as the Board approves and executes any such

amendment and so long as notice of any such amendment is given to all Lot Owners at least thirty (30) days prior to the adoption of such amendment. The Guidelines may be enforced by the ACC or the Board's own action or upon recommendation from the ACC to the Board.

SECTION 6.3 Architectural Design. No structure or improvement, including but not limited to residences, accessory structures, landscaping, fences, walls, mounds, ponds, pools, satellite dishes, antenna, patios, basketball goals, solar panels or other solar collection devices, and other permanent structures for sports and recreation, shall be erected, placed and altered on any Lot until the building plans, specifications and plot plan showing the location, materials, and appearance of the planned improvement have been submitted to the ACC and approved by the ACC or Board, regarding conformity and harmony of external design, topography and finished ground elevations. The destruction of trees and vegetation and any other such matter as may affect the environment and ecology of this Subdivision shall also be approved in advance by the ACC or Board.

SECTION 6.4 Composition of the ACC. The ACC will be composed of three (3) or more members, including at least one Director. All members shall be appointed by the Board and will serve a three (3) year term.

SECTION 6.5 Written Approval. The ACC or Board approval or disapproval of any properly submitted application shall be in writing. In the event that written approval is not received from the ACC or Board within thirty (30) days from the date of receipt of a completed application and any additional documentation requested by the ACC, Board or Managing Agent, and so long as the request is not prohibited by the Guidelines then in effect or the plat covenants or the Declaration, it shall be deemed that the ACC has approved the presented plan.

SECTION 6.6 Additional Approvals. Under no circumstances shall approval by the ACC or Board be deemed to replace any required governmental approval or be deemed to constitute a representation or assurance by the ACC or Board that the planned structure or improvement meets the requirements of any law, regulation or ordinance or meets any structural or safety requirement or standard.

SECTION 6.7 Alterations Without Approval. The Board shall have the right and authority to require the removal of any improvement which has been made without receiving the approval of the ACC or Board, including injunctive relief, and recovery of damages, reasonable attorney fees, and costs.

SECTION 6.8 Miscellaneous Provisions.

- a. The Board's or ACC's approval of, or failure to object to, a requested improvement for one Lot shall not prevent it from objecting to a similar improvement for another Lot if it deems, in its sole discretion, that the requested improvement would be detrimental to the Subdivision or other Lot Owners.
- b. ACC members will be not be entitled to any compensation for services performed on behalf of the ACC.

- c. A decision of the ACC may be appealed to the Board by the applicant or by an adjoining Lot Owner, which may reverse or modify such decision by a two-thirds (2/3) vote of the Directors then serving.
- d. The Board may overturn a decision of the ACC by two-thirds (2/3) vote of the Directors then serving.
- e. The Association may not waive or abandon these procedures for regulating and enforcing architectural design without the prior written approval of all Owners.

ARTICLE VII MISCELLANEOUS

SECTION 7.1 Contracts, Checks, Notes, Etc. All contracts and agreements entered into by the Association, unless otherwise provided by law or directed by the Board, shall be signed by the President. All checks, drafts and bills of exchange and orders for the payment of money shall, in the conduct of the ordinary course of business of the Association, unless otherwise directed by the Board, or unless otherwise required by law, be signed by the Treasurer and at least one other officer of the Association.

SECTION 7.2 Loans. No loans shall be contracted on behalf of the Corporation and no indebtedness shall be issued in its name unless authorized by a resolution of the Board.

SECTION 7.3 Damage to or Abuse of Common Areas

If, due to the willful, intentional or negligent acts or omissions of an Owner, or a member of the Owner's family, or of a guest, tenant, invitee or other occupant or visitor of the Owner, damage is caused to Common Areas, or if maintenance or repairs is required, the Owner shall be required to pay for such damage. Upon demand of the Board, the cost of such repairs shall be immediately due and payable, and if not paid, a lien may attach to the Owner's property, and costs of collection and reasonable attorney fees shall be added to any judgment entered on behalf of the Corporation.

SECTION 7.4 Interpretation of Conflicting Provisions. In the event of conflicting provisions of the various documents, the following order of priority shall apply for resolving the conflict:

- a. Subdivision Plats
- b. The Declaration
- c. Articles of Incorporation
- d. These By-Laws
- e. Architectural Control Guidelines
- f. Rules established by the Board

SECTION 7.5 Fiscal Year. The fiscal of the Corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

SECTION 7.6 Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board and

Committees. All books and records of the Corporation may be inspected by any Director, Officer, Owner, their agent or attorney for any proper purpose at any reasonable time.

**ARTICLE VIII
AMENDMENT TO BY-LAWS**

SECTION 8.1 Amendments The power to make, alter, amend, add to and repeal the by-laws of the Corporation is vested in the Board, which powers shall be exercised in accordance with the requirements of the Declaration; provided, however, that notice of any such amendment must be given to all Lot Owners at least thirty (30) days prior to the adoption of such amendment.