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BY-LAWS

OF

HALSTON MANOR PROPERTY OWNERS' ASSOCIATION

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BY-LAWS
OF
HALSTON MANOR PROPERTY OWNERS' ASSOCIATION

ARTICLE I.

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws have been adopted by the Board of Directors of Halston Manor Property Owners' Association, (hereinafter referred to as the "Association"), an unincorporated association, and these By-Laws shall be the By-Laws of the Association, which relates to all real property and improvements thereon located in the subdivision located in Warrick County, Indiana, specifically Halston Manor Subdivision, according to the recorded plat thereof, recorded as Instrument No. 2001R-013267, in the Office of the Recorder of Warrick County, Indiana (hereinafter collectively referred to as "Halston Manor.")

Section 1.02. Individual Application. All of the co-owners and future owners of lots in Halston Manor shall be subject to the terms and provisions of these By-Laws.

ARTICLE II.

The Association

Section 2.01. Name. The name of the Association is, as indicated above, Halston Manor Property Owners' Association.

Section 2.02. Proof of Title. Each owner of a lot in Halston Manor, upon acquisition of title thereto, shall provide to the Association a copy of the recorded Deed conveying the interest to a lot in Halston Manor to the owner.

Section 2.03. Membership. Each owner of a lot in Halston Manor, upon presentation of proof of title thereto, shall become a member of the Association. The term "member" shall be synonymous with the term "owner" or "co-owner" as used in these By-Laws. Such membership shall terminate upon the sale or other disposition by such member of his or her lot, at which time the new owner of such lot, upon presentation of proof of title thereto, shall become a member of the Association.

ARTICLE III.

Meetings of the Association

Section 3.01. Purpose of Meeting. At least annually and at such other times as may be necessary, a meeting of the co-owners shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of assessments, and for such other purposes as may be required by these By-Laws or the restrictions, reservations and protective covenants affecting Halston Manor.

Section 3.02. Annual Meetings. The annual meeting of the members of the Association shall be held on the second Sunday of November, of each calendar year. At the annual meeting the owners shall elect a Board of Directors of the Association in accordance with the provisions of these By-Laws, approve the annual budget, and transact such other business as may properly come before the meeting.

Section 3.03. Special Meetings. A special meeting of the members of the Association may be called by the President, by a resolution adopted by a majority of the Board of Directors or upon a written petition signed by not less than one of one-tenth (1/10) of all members of the Association. The resolution or petition shall be presented to the President and Secretary of the Association and shall state the purpose for which the meeting is to be called.

Section 3.04. Notice and Place of Meetings. All meetings of the members of the Association shall be held at a suitable place in Warrick County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time, and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be personally served or mailed by the Secretary of the Association, or his representative, to each co-owner, not less than ten (10) days prior to the date of such meeting. Personal service shall be satisfied if the notice is placed in the mailbox or otherwise delivered at a location at the owner's lot that is likely to be actually received by the owner. If mailed, such notice shall be satisfied if mailed to the co-owner at his, her, or its address as it appears upon the records of the Association. Notice of the time, place and purposes of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any member of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protest, prior to or at the commencement of the meeting, shall be deemed to be a waiver by him of the lack of proper notice of such meeting.

Section 3.05. Action Without a Meeting. All actions which may be taken at a meeting of the Association, except an action for the removal of a member of the Board of Directors, may be taken without a meeting if prior to such action a consent in writing,

setting forth the action so taken, shall be signed by all of the members of the Association, and such written consent is filed with the minutes of the proceedings of the members.

Section 3.06. Voting.

(a) **Number of Votes.** On each matter coming before the meeting, each owner shall be entitled to cast one (1) vote for each lot owned by such owner; provided, however, that in the event that one (1) or more lots are combined for use by a single residence, the owner of such residence shall be entitled to one (1) vote only in all matters.

(b) **Multiple Owner.** Where the owner of a lot constitutes more than one (1) person, or is a partnership, there shall be only one (1) voting representative entitled to vote for that lot. At the time of acquisition of title to a lot by a multiple owner or partnership, those persons constituting such owner or the partnership shall file with the Secretary of the Association a written proxy appointing one (1) of such persons or partners as the voting representative for such lot, which shall remain in effect until the appointment is revoked in writing or is otherwise rescinded by order of a court of competent jurisdiction, or the voting representative becomes incompetent or dies. 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 3.06, which will not constitute a permanent relinquishment of his right to vote as a voting representative for the lot.

(c) **Voting by a Corporation or Trust.** Where a corporation or trust is an owner or is otherwise entitled to vote, the trustee 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.

(d) **Proxy.** Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his, her, its or their behalf shall be made in writing and delivered to the Secretary of the Association and shall be revocable at any time by actual notice to the Secretary of the Association in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

(e) **Quorum.** Except where otherwise expressly provided by these By-Laws, the members of the Association representing 15% of the lots in the Subdivision present in person or by proxy shall constitute a quorum for such meeting. The acts approved by a majority of the voting power present in person or by proxy shall constitute the acts of the Association.

Section 3.07. Conduct of Meeting. The chairman of the meeting shall be the

President of the Association, or in his absence, the Vice President of the Association. He shall call the meeting to order at the duly designated time and business shall be conducted in the following order:

(a) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

(b) Reports of Officers and Committees. The officers and chairman of committees shall make such report as may be appropriate. If the meeting is the annual meeting, the Treasurer shall report to the co-owners concerning the financial condition of the Association.

(c) Budget. If the meeting is the annual meeting, the budget for the prior year and the proposed budget for the current calendar year shall be presented to the co-owners for approval or amendment.

(d) Nomination and Election of Board of Directors. If the meeting is an annual meeting, an election of the Board of Directors shall be held. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made by any owner from the floor at the annual meeting or by a written nomination submitted by any owner to the Board at least ten (10) days prior to the annual meeting. The nominating committee shall consist of five (5) members of the Association. The nominating committee shall consist of members of the steering committee for the initial annual meeting and thereafter shall be appointed by the President at least thirty (30) days prior to each annual meeting of the members. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Voting for the Board of Directors shall be by paper ballot, unless otherwise agreed by a majority of the members present. 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 accumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting owner shall sign his ballot.

(e) Other Business. Such other business, old or new, may then be brought before the meeting.

(f) Adjournment. Following the completion of the presentation of such other business as may come before the meeting, the meeting shall adjourn.

ARTICLE IV.

Board of Directors

Section 4.01. Number. The affairs of the Association shall be governed and managed by the Board of Directors (hereinabove and hereinafter sometimes collectively called "Board" or "Directors", and individually called "Director"). After the initial meeting of the Members of the Association, the Board of Directors shall be composed of five (5) persons.

Section 4.02. Qualifications. No person shall be eligible to serve as a Director unless he or she is a member of the Association. Where an owner consists of more than one (1) person or is a partnership, corporation, trust or other legal entity, than one (1) of the persons constituting the multiple owner or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single lot may be represented on the Board of Directors by more than one (1) person at a time.

Section 4.03. Term of Office and Vacancy. The Board of Directors shall be elected at each annual meeting of the Association. In the event of the death or resignation of a Director, the vacancy created thereby shall be filled until the next annual meeting by a vote of the majority of the remaining Directors; provided, however, if all Directors resign simultaneously, the vacancies shall be filled until the next annual meeting by the vote of the members of the Association at a special meeting called by the President for that purpose. There shall be no term limit imposed upon a member of the Board of Directors, so that any Director shall be eligible for re-election to the Board of Directors during any consecutive or subsequent year.

Section 4.04. Removal of Directors. A Director or Directors may be removed with or without cause by vote of a majority of members at a special meeting of the members duly called and constituted. In such case, his or her successor shall be elected at the same meeting from eligible persons nominated at the meeting. A director so elected shall serve until the next annual meeting of the members or until his or her successor is duly elected and qualified.

Section 4.05. Meetings.

(a) **Organizational Meeting.** Immediately after each annual meeting of the members of the Association, the Directors shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

(b) **Regular Meetings.** Regular meetings of the Board of Directors may be held at

such times and places as shall be determined by a majority of the Directors.

(c) **Special Meetings.** Special meetings of the Board of Directors may be held at any time upon call by the President or any two (2) Directors. Written notice of the time and place of each such meeting shall be given to each Director either by personal delivery or by mail, or telephone at least two (2) days before the meeting, which notice need not specify the purposes of the meeting; provided, however, that attendance of any Director at any such meeting without protesting (prior to or at the commencement of the meeting) the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting and such notice may be waived in writing either before or after the holding of such meeting by any Director, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organizational, regular, or special meeting.

(d) **Quorum.** A quorum of the Board of Directors shall consist of a majority of the Directors then in office; provided that a majority of the Directors present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time and place to which such meeting is adjourned or fixed and announced at such meeting.

(e) **Action Without a Meeting.** All actions which may be taken at a meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent to such action is signed by all Directors and such written consent is filed with the minutes of proceedings of the Board.

Section 4.06. Duties of the Board of Directors. Except as otherwise provided by law or these By-Laws, all power and authority of the Association shall be exercised by the Board of Directors. The Board shall provide for the maintenance, repair, replacement, restoration and operation of the common areas and facilities, and the collection and disbursement of the common expenses. These duties include, but are not limited to:

- (a) Take title to and maintain, repair, replace, restore and operate the detention basin located within Halson Manor;
- (b) Take title to any other common areas located in Halston Manor;
- (c) To maintain and repair the common areas, entry walls, entrance streets, signs, lights and landscaping within Halston Manor;
- (d) Assessment and collection from each of the owners of said owner's share of the common expenses;
- (e) Preparation of the proposed annual budget;

- (f) **Keeping a book with a detailed account of the receipts and expenditures made by the Board, which book and vouchers accrediting the entries made thereon shall be available for examination by all of the owners at convenient hours or working days that shall be set and announced for general knowledge, and which books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by an auditor outside of the Association;**
- (g) **Prepare and deliver annually to the co-owners a full accounting of all receipts and expenses incurred in the prior year, which accounting shall be delivered to each owner simultaneously with the delivery of the annual budget; and**
- (h) **Enforce the lien against any lot and the improvements thereon for which assessments are not paid in accordance with the provisions of these By-Laws, or to bring an action at law against the owner personally obligated to pay the same.**

Section 4.07. 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 to:

- (a) **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 for the maintenance, repair, replacement and operation of the detention basin, the common areas and landscaping adjoining the roadway leading from Lincoln Avenue or Frame Road into Halston Manor Subdivision, and other common areas, all as evidenced by payment vouchers and acknowledged by the supplier or laborer and certified by the Secretary as having been supplied or performed;**
- (b) **Employ legal counsel, accountants or other professionals as in the judgment of the Board of Directors may be necessary or desirable in connection with the performance of the business and affairs of the Association;**
- (c) **Include the cost of all of the above and foregoing as common expenses and to pay all such costs therefrom;**
- (d) **Open and maintain a bank account or accounts in the name of the Association;**
- (e) **Exercise for the Association all powers, duties and authorities vested in or**

delegated to the Association, and authorize and direct an officer or officers of the Association to execute and deliver, for and on behalf of the Association such documents and instruments as may be necessary or required in the exercise of said powers, duties and authorities;

- (f) 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 4.08. 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 not more than one thousand Dollars (\$1,000.00) without obtaining the prior approval of a majority of the members, except in the following cases:

- (a) Proposed contracts and proposed expenditures set forth in the annual budget as approved by the co-owners at the annual meeting; and
- (b) Contracts for repairs, replacement or maintenance where delay of such repair, replacement or maintenance increases substantially the cost and expense of the same and/or would subject the lots in Halston Manor and the improvements thereon or the persons therein, to substantial risk of injury or damage.

Section 4.09. Compensation. No Director shall receive any compensation for his or her services as such, except to such extent as may be expressly authorized by the majority of the 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 approval of the members.

Section 4.10. Nonliability and Indemnity of Directors. The Directors shall not be liable to the owners for any errors or mistake in judgment in exercising and 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 the Association unless any such contract shall have been made in bad faith or contrary to the express provisions of these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. The liability of any owner arising out of any contract the Director shall be limited to such owner's proportionate share thereof, based upon the number of lots owned by him in Halston Manor. Every contract made by the Board on behalf of the Association shall provide that the Board on behalf of the Association shall provide that the Board of Directors is acting for and on behalf of the

Association and shall have no personal liability thereunder, except in their capacity as owners of lots in said subdivision and then only to the extent of their proportionate share thereof. The co-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 to which it shall be judged in such action, suit or proceeding, unless it shall be established that the Director was 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 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 V.

Officers

Section 5.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer. The Board may from time to time appoint and elect 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.

Section 5.02. Election of Officers. The officers of the Association shall be elected annually by the Board at the initial organizational 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 in any special meeting of the Board called for such purpose.

Section 5.03. 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 Board of Directors and at all meetings of the Association, and subject to the directions of the Board of Directors, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such authority and shall perform such other duties as may be determined by the Board of Directors or otherwise provided for in these By-Laws.

Section 5.04. The Vice President. The Vice President shall be elected from among the Directors and shall perform all duties encumbered 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 as shall, from time to time, be imposed upon him by the Board or by the President.

Section 5.05. The Secretary. The Secretary shall be elected from among the Directors or members of the Association. 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 copy of the proceedings of such meetings, shall perform all of the 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 given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 5.06. The Treasurer. The Treasurer shall be elected from among the Directors or members of the Association. The Treasurer shall maintain a correct and complete record of accounts showing accurately at all times the financial condition of the Association, and 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 in 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.

Section 5.07. Committees. The Board of Directors shall appoint the following committees:

- a). Improvements and Landscape Committee
- b). Restrictions, Enforcement and Safety Committee
- c). Welcoming and Social Committee
- d). Budget Committee
- e). Communications, Newsletter and Meetings Committee
- f). Nominating Committee

The Board of Directors may appoint any other committees as is deemed appropriate in carrying out its purpose.

Section 5.08. Bond. The Board of Directors may require such officers as the Board deems necessary, to provide a fidelity or surety bond, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful, extraction, willful misappropriation, and other acts of fraud or dishonesty, in such sums and with such

sureties as may be approved by the Board of Directors. The cost of such bond shall be paid by the Association as a common expense.

ARTICLE VI.

Assessments

Section 6.01. Proposed Annual Budget. On or before the first day of October prior to each annual meeting of the members of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing twelve (12) months from January 1 to December 31, estimating the total amount of October expenses to be incurred during said period, and shall on or before October 15, notify each owner in writing as to the amount of such estimate, with reasonable itemization thereof. The annual budget shall be submitted to the co-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 twelve (12) months' period from January 1 to December 31. At the annual meeting of the co-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 vote; provided, however, that in no event shall the annual meeting of co-owners be adjourned until an annual budget is approved at such meeting, either the proposed annual budget or the proposed annual budget as amended.

Section 6.02. Regular Assessments. The annual budget as adopted shall, based upon the estimated cash requirements for expenses in the ensuing twelve (12) months' period as set forth in said budget, contain a proposed assessment against each owner of a lot in Halston Manor. An owner shall be assessed for each lot owned in the Subdivision regardless of such owner's voting power (i.e., regardless of whether the owner has only one (1) vote relating to one (1) or more lots). Immediately following the adoption of the annual budget, each owner shall be given written notice of his assessment (hereinafter called "Regular Assessment"). The Regular Assessment shall be paid in one (1) installment, payable on the first day of December of each calendar year. Payment of said installment shall be made to the Board of Directors, or such other representative of the Board as may be directed by said Board. The Regular Assessment for the year shall become a lien on each separate lot as of the first day of January of each calendar year.

On or before the date of each annual meeting, the Board shall supply to all owners an itemized accounting of the expenses for the preceding twelve (12) months' period actually incurred and paid, together with a tabulation of the assessments collected, and showing the net amount over or short of the actual expenditures. Any amount accumulated in excess of the amount required for actual expenses shall be credited to the budget for the ensuing twelve (12) months' period and the Regular Assessment shall be adjusted accordingly. Any Shortage shall be added to the Regular Assessment for the ensuing twelve (12) months' period.

Section 6.03. Special Assessments. If the Regular Assessments are inadequate for any reason, including nonpayment of any owners's Regular Assessment, the Board shall prepare an estimate of the actual cash requirements then necessary, or necessary for the balance of the year, which additional amount shall be assessed to the owners, and the amount of each owner's assessment shall be determined in the same manner as such owner's Regular Assessment is determined pursuant to Section 6.02 of this Article. The Association shall serve notice of such further assessment (herein called "Special Assessment") on all owners by a statement in writing giving the amount and the reasons therefore, and such Special Assessment shall become due and effective within fifteen (15) days after the giving of such notice. Said Special Assessment shall become a lien on each lot as of the due date of said Special Assessment.

Section 6.04. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual budget on the owners, or the failure of the Association to adopt said annual budget, shall not constitute a waiver or release in any manner of any owner's obligation to pay the Regular Assessment as hereinabove provided, whenever the same shall be determined, and in the absence of any annual budget, the owner shall continue to pay the monthly installments of the Regular Assessments at the rate established for the previous period until the Regular Assessment for the next ensuing twelve (12) months' period shall have been determined and delivered to the owners.

Section 6.05. Remedies for Failure to Pay Assessments. If any owner is in default in the payment of any of the assessments provided for in this Article VI, the Board of Directors may bring suit for and on behalf of the Association to enforce collection thereof and/or to foreclose the lien therefor, and there shall be added to the amount due, the cost of said suit, together with interest and reasonable attorney's fees to be fixed by the court. In any foreclosure the owner shall be required to pay a reasonable rental for the lot if he occupies the improvements thereon, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. Any mortgagee of the lot shall be entitled to written notice of such failure to pay any assessment, which notice shall be served not less than ten (10) days prior to the institution of a suit for collection.

When the mortgagee of a first mortgage of record or other purchaser of a lot acquires title to the lot as a result of foreclosure of the first mortgage, or where the mortgagee of a first mortgage of record in lieu of foreclosure of its mortgage acquires title to the lot by accepting a deed to the lot in full satisfaction of its mortgage, such acquirer of title, its successors and assigns, shall not be liable for any assessments chargeable to such lot which became due prior to the acquisition of title to such lot by such acquirer. Such unpaid assessments shall be deemed to be expenses collectible from all of the lots, including that of such acquirer, at the time of the first assessment next following the acquisition of title by such mortgagee or other purchaser.

In the event of a voluntary conveyance of a lot, other than by deed in lieu of foreclosure, the Grantee of the lot shall be jointly and severally liable with the Grantor of said lot for all unpaid assessments levied by the Association against the Grantor and his lot up to the time of the grant and conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefore. However, any such Grantee shall be entitled to a statement from the Board of Directors setting forth the amount of all unpaid assessments against the Grantor due the Association, and such Grantee shall not be liable for, nor shall the lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the Grantor in excess of the amount set forth in such statement for the period reflected in such statement.

Any lien provided for under this Article shall be a lien against not only the lot but all improvements located thereon and any reference to "lot" in this Article shall be deemed to include that portion of an adjoining lot or lots comprising one building site, and all improvements located thereon.

ARTICLE VII.

Insurance

Section 7.01. Public Liability Insurance. The Board of Directors, if authorized by the members at a duly held meeting of the Association, shall obtain comprehensive public liability insurance in such limits as the Board of Directors shall deem appropriate. Such insurance shall cover and inure to the benefit of the Association, the Board of Directors, all persons acting or who may come to act as agents or employees of the Association or the Board of Directors, and all lot owners.

Section 7.02. Premiums. The premiums for such insurance shall be paid by the Association, as part of the common expenses.

ARTICLE VIII.

General Provisions

Section 8.01. Notice to Mortgagees. Upon written request to the Board of Directors by the holder of any duly recorded mortgage or trust deed against any lot, the Board of Directors shall give such mortgage holder a copy of any and all notices permitted or required by these By-Laws to be given to the owner or owners whose lot is subject to such mortgage or trust deed.

Section 8.02. Notice to the Board of Directors. Notice required to be given to the Board of Directors by the Association may be delivered to any member of the Board of

Directors or officers of the Association either personally or by mail addressed to such member or officer.

Section 8.03. Non-waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.04. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established by these By-Laws shall be deemed to be binding on all lot owners, their successors and assigns.

Section 8.05. Severability. The invalidity of any covenant, restriction, condition, limitation or any other provisions of these By-Laws, or any part of the same, shall not impair or affect in any manner the validity, enforceability, or affect the rest of these By-Laws.

ARTICLE IX.

Amendment of By-Laws.

These By-Laws may be amended by a vote of not less than fifty-one percent (51%) of the total voting power of the co-owners in a duly constituted meeting called for such purpose or in any regular meeting of the owners.

APPROVED AND ADOPTED:

**Neil Chapman, Secretary
Halston Manor Property Owners Association**