

BYLAWS

FIRST AMENDED
BY-LAWS

OF

CASTLE COVE OWNERS ASSN., INC.

ARTICLE I

NAME AND LOCATION

The name of the Corporation is CASTLE COVE OWNERS ASSN., INC., (hereinafter referred to as the "Association"). The principal office of the Corporation shall be located at 890 North Shadeland Avenue, Indianapolis, Indiana, 46219, but meetings of members and directors may be held at such places within the State of Indiana, County of Marion, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Developer" shall mean and refer to Castle Cove Development Corp., its successors and assigns as the developer.

Section 2. "Association" shall mean and refer to Castle Cove Owners Assn., Inc., its successors and assigns.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Properties" shall mean and refer to the certain real estate described on Exhibit "A" (subject to certain easements servicing the property), except streets, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map of the Properties with the exception of the Common Properties. The Developer has planned two hundred seventeen (217) Lots on the Properties. Each Lot shall contain a single family residential dwelling.

Section 6. "Dwelling" shall mean and refer to a single family residence erected on a Lot within the Project Real Estate.

Section 7. "Common Property" shall mean all the real estate (including improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Castle Cove Development Corp., applicable to the Properties, recorded in the Office of the Marion County Recorder, Indianapolis, Indiana.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 5:00 o'clock P.M. If the day for the annual meeting of the Members is a weekend or legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday or week-end.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A Membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Waiver of notice of meeting may be waived by a quorum as hereinafter defined.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of members, each member entitled to vote may vote in person or by proxy. All proxies shall be signed in writing and filed with the

secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) Directors, who are all members of the Association, excepting the initial Board of Directors shall consist of three (3) members.

Section 2. Term of Office. At the fourth annual meeting the members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years and three directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect three (3) directors for a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a Meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. 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. Such nominations may only be made from among members of the Association.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- a) adopt and publish rules and regulations governing the use of the Common Property and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

d) 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; and

e) employ a manager, independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c) as more fully provided in the Declaration, to:

i) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

ii) send written notice of each assessment to every Owner subject thereto at least thirty, (30) days in advance of each annual assessment period; and

iii) foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the owner personally obligated to pay the same.

d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

e) purchase a master casualty policy affording fire and extended coverage in an amount consonant with the full replacement value of the improvement that in whole or in part comprise the Common Property and facilities. The Board of Directors, in behalf of the Owners through the Association of Owners, shall also purchase a master liability policy in an amount required by the By-Laws or revised from time to time by a decision of the Board of Directors, which policy shall cover the Association of Owners, the executive organ, if any, the managing agent, if any, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Common Property, all Owners and all other persons entitled to occupy any Dwelling or other portions of the Common Property. Such other policies as may be required in the interest of the Owners and the Association may be obtained by the Board of Directors or the association, including, without limitation, workmen's compensation insurance, liability insurance on motor vehicles owned by the Association, and specialized policies covering lands or improvements on which the

Association has or shares ownership or other rights and officers' and directors' liability policies.

When any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or mortgagee whose interest may be affected thereby by the officer required to send notices of meetings of the Association.

In case of fire or any other casualty or disaster of all or a part of the improvements contained within the Common Property, the improvements shall be reconstructed and the insurance proceeds applied to reconstruct the improvements.

Where the improvements are not insured or where the insurance proceeds are not sufficient to cover the cost of repair or reconstruction of the improvements on the Common Property, the Owners shall contribute the balance of any such costs in the percentage by which an Owner owns an undivided interest in the Common Properties and facilities as expressed in the Declaration. Such amount shall be assessed as part of the common expense and shall constitute a lien from the time of assessment.

If it is determined by the Owners not to rebuild after a casualty or disaster has occurred, then in that event:

- i) the Common Property shall be deemed to be owned in common by all Owners;
- ii) the undivided interest in the Common Property owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Property and facilities;
- iii) the Common Property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the Properties, as represented by his voting rights, after first paying out of the respective shares of the Owners, to the extent sufficient for the purpose, all liens and expenses on the undivided interest in the Common Property owned by each Owner.
- f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g) cause the Common Property to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer, or president and treasurer, may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT

b) The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Class A and Class B Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid within thirty (30) days shall be delinquent.

If an assessment is not paid within thirty (30) days after the due date, the assessment shall bear a late charge of One and One-Half Percent. (1 ½ %) per month and the Association may bring an action at law against the owner personally obligated to pay the assessment or foreclose the lien against the property, interest, costs and reasonable attorney fees of any such action shall be added to the amount of the assessment. No owner may waive or otherwise escape liability for assessments provided herein by non-use of the Common Area or abandonment of his Lot. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but the lien of any delinquent assessments shall run with the land.

ARTICLE XII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. The Federal Housing Administration or Veterans Administration shall have the right to veto amendments while there is a Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all the Directors of Castle Cove Owners Assn., Inc. have hereunto set our hands and seals this _____ day of _____, 1979.

