

BY-LAWS
OF
CASTLEWOOD PROPERTY OWNERS ASSOCIATION, INC.
(an Indiana Not-For-Profit Corporation)
As Amended June 11, 2024

ARTICLE I

OFFICES

Section 1.1. Principal Office. The principal office of CASTLEWOOD PROPERTY OWNERS ASSOCIATION, INC. shall be located at P.O. Box 340, Dyer, Indiana, 46311.

Section 1.2. Other Offices. The Corporation may also have offices as such other places both within and without the State of Indiana as the Board of Directors may from time to time determine or the affairs of the Corporation may require.

ARTICLE II

MEMBERSHIP

Section 2.1. Membership. Each Owner shall automatically be a Member of the Corporation, but Membership shall terminate when such person ceases to be an Owner and will be transferred to the new Owner; provided, however, any person who holds an interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a Member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Corporation.

Section 2.2. Class of Members. The Corporation shall have three (3) classes of Members:

- (a) Class A. Class A Members shall be all Owners except Declarant.
- (b) Class B. The Class B Member shall be Declarant. The Class B Membership shall cease and terminate upon the first to occur of: (1) the date upon which the written resignation of the Class B Member as such is delivered to the Resident Agent of the Corporation; provided, however, if Declarant, at such time, still owns Lots, such Membership shall be converted to a Class A Membership; (2) the date Declarant no longer owns any Lots; or (3) December 31, 1987 (the applicable date of the above being herein referred to as the “Applicable Date”).
- (c) Class C. Any and all natural persons who are officers, directors, partners, employees, or appointees of a Class A Member or a Class B Member that become a Class C Member of the Corporation upon being designated thereof by a Class A Member or a Class B Member.

Section 2.3. Voting Rights. Class A Members shall be entitled to one vote for each Lot owned.

All persons holding an interest in any Lot shall be Members; provided, however, each Lot represented shall have only one vote as the Owners of such Lot may determine. The Class B Member shall be entitled to three (3) votes for each Lot owned. Class C Members shall have no vote in matters of the Corporation but may act as a Director and may vote in such capacity on matters which are determined by the Board of Directors. No member, whose dues or assessments are unpaid, shall be entitled to vote during the time any dues or assessments are unpaid.

Section 2.4. Annual Meetings. Annual meetings of Members for the purpose of electing Directors and the transaction of such other business as may properly be brought before the meeting shall be held at 7:00 p.m. during the fourth week of February. The failure to hold any annual meeting at the designated time shall not work any forfeiture or dissolution of the Corporation. The procedure for nominating members to be on the ballot for the purpose of electing directors at the annual meetings will be as follows:

- (a) *On December 15th of each year, prior to the subsequent annual meeting, the Board of Directors will send via email to all email addresses of the membership on file with the CPOA Board and via USPS to those members who do not use email, a written notice to the membership announcing the up-coming election of the Board of Directors and the position numbers that will be vacant.*
- (b) *Said notice shall also inform the members that the name of any person desiring to be on the ballot must be submitted by a member to the Board of and received by the CPOA Board of Directors with either an email Date of Transmittal of January 17 OR have a USPS Postmark of January 17, prior to the Annual Meeting. Those submittals sent via email must be sent to castlewoodboard@aol.com and those submitted by USPS must be mailed to the Association at P.O. Box 340, Dyer, Indiana, 46311. Submittals from members which are received after January 17 whether via email or USPS, will not be accepted for consideration*
- (c) On February 1st of each year or on the first business day thereafter, the Association will mail to the membership a list of the nominees submitted in alphabetical order.
- (d) No candidate, other than those whose name has been submitted to the Association and placed on the ballot pursuant to this Section 2.4, nor any candidate whose dues or assessments are unpaid, shall be elected to serve as a member of the Board of Directors at the Annual Meetings of the Members of the Association.

Section 2.5. Special Meetings. Special meetings of Members may be called by the President, by a majority of the Board, or by written petition signed by not less than one-tenth of all the Members authorized to vote by the Articles.

Section 2.6. Place of Meetings. The Board may designate any place as the place of meeting for any annual or special meeting of Members called by the Board.

Section 2.7. Notices. A written or printed notice stating the place, day, and hour of the meeting, and in case of a special meeting, the purpose for which the meeting is called, shall be delivered or mailed by the Secretary or by the officer or person calling the meeting to each Member of record entitled to vote at that meeting by the Articles at the address which appears on the records of the Corporation at least ten (10) days before the date of the meeting. Notice of any meeting of Members may be waived in a writing filed with the Secretary or by attendance in person.

Section 2.8. Quorum. Members present in person or by proxy shall constitute a quorum.

Section 2.9. Transfer of Membership. Transfer of Membership in the Corporation shall be established by recording in the Office of the Recorder of Lake County, Indiana, the deed or other instrument establishing a record title to a Lot in Castlewood and the delivery to the Corporation of a certified copy of said instrument, the Owner designated by such instrument thereby becoming a Member of the Corporation. The Membership of the prior Owner shall be thereby terminated. The share of a Member in the funds and the assets of the Corporation cannot be assigned, hypothecated, or transferred in any manner.

ARTICLE III
BOARD OF DIRECTORS

Section 3.1. Powers. The affairs of the Corporation shall be managed by the Board. The power to make, alter, amend, or repeal the by-laws and the rules and regulations for the conduct of the affairs of the Corporation, including the power to elect the officers of the Corporation, shall be vested in the Board; provided, however, that no act of the Board shall be inconsistent with law, the Articles, or these by-laws.

Section 3.2. Number and Tenure - The number of Directors shall be five (5). The initial Board of Directors shall be designated in the Articles of Incorporation, shall be Class C Members, and such Directors, notwithstanding any provision in the Declaration or the Articles or the By-Laws to the contrary, shall be Directors until the Applicable Date. Thereafter, the Board of Directors positions Number 1 and 2 shall be two (2) years, *commencing at 12:00 AM the day after the Annual Association meeting and continuing until 11:59:59 PM the day of the Annual Association meeting two years hence*, and the terms of office for Board of Directors positions Numbers 3,4, and 5 shall also be two (2) years, *commencing at 12:00 AM the day after the Annual Association meeting and continuing until 11:59:59 PM the day of the Annual Association meeting two years hence*, The Corporation shall elect members to the Board of Directors annually in accordance with it and as prescribed by the By-Laws.

Section 3.3. Qualifications. Each Director of the Corporation must, both before and after his or her election, satisfy the following qualifications:

- (a) be a “Class A” Member or a “Class C” Member;
- (b) be a Member in Good Standing of the Corporation or represent a Member in Good

Standing as their “Class C” representative;

- (c) must be a resident of Castlewood Subdivision, Dyer, Indiana;
- (d) if there is more than one owner per Lot, only one (1) such owner may serve as a Director at any one time; and
- (e) neither the owner or any co-owner may have pending or threatened claims or litigation against either the Castlewood Property Owners Association, Inc., it’s Officers, Directors, Agents, and/or Representatives.

Section 3.4. Annual Meeting. The Board shall meet each year immediately after the annual meeting of the Members at the place where such meeting of the Members has been held for the purpose of organization, election of officers, and consideration of any other business that may properly be brought before the meeting. No notice of any kind to the members of the Board of such annual meeting shall be necessary.

Section 3.5. Special Meetings. Special meetings of the Board may be called at any time by the President, and upon the written request of any Director, shall be called by the Secretary.

Section 3.6. Notice of Special Meetings. Notice of any special meeting of the Board shall be given at least five (5) days previous thereto by written notice to each Director at his address shown on the records of the Corporation.

Section 3.7. Place of Meeting. The Directors may hold their meeting from time to time within or without the State of Indiana at any office or offices of the Corporation or at any other place as they may, from time to time, by resolution determine, but in the absence of such determination meetings of the Directors shall be held at the principal office of the Corporation in the State of Indiana.

Section 3.8. Quorum. A majority of the entire Board shall be necessary to constitute a quorum.

Section 3.9. Manner of Acting. The act of a majority of the Directors present at a meeting who constitute a quorum shall be the act of the Board, unless the act of a greater number is required by statute, the Articles, or these by-laws.

Section 3.10. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board or such committee as the case may be, and such written consent is filed with the minutes of proceedings of the Board or Committee.

Section 3.11. Telephone Conference Meetings. A member of the Board of Directors or of a committee designated by the Board may participate in a meeting of the Board or Committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other.

Section 3.12. Powers of Directors. The Board of Directors shall exercise all powers of the Corporation, subject to the restrictions imposed by law, by the Articles of Incorporation, or by this code of by-laws.

Section 3.13. Compensation. After the Applicable Date, the Board, irrespective of any personal interests of any of its members, shall have authority to fix compensation of all Directors for services to the corporation as officers or otherwise; provided, however, that no Director shall be compensated for services rendered solely in the capacity of Director.

Section 3.14. Removal. Any Director may be removed, either for or without cause, at any special meeting of the members called for that purpose by the affirmative vote of a majority in number of votes cast of Members in good standing either in person or by proxy. Notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If the notice calling such

meeting shall so provide, the vacancy caused by such removal may be filled at such meeting by vote of a majority of votes cast of Members in good standing present in person or by proxy and entitled to vote for the election of Directors.

Section 3.15. Vacancies. Any vacancy occurring on the Board caused by death, resignation, or otherwise (but not by an increase in the number of Directors or by removal by the Members) shall be filled, until the next Annual Meeting of the Members of the Corporation, through a vote of the majority of the remaining Members of the Board. A majority of the entire board of Directors shall be necessary to constitute a quorum. However, when filling vacancies, a majority of the existing Directors shall be required for a quorum. The act of a majority of the Directors present at a meeting which constitutes a quorum shall be the act of the Board of Directors.

ARTICLE IV

OFFICERS

Section 4.1. Officers. The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board), a Treasurer, a Secretary, and such Assistant Treasurers, Assistant Secretaries, or other officers as may be elected or appointed by the Board. Officers whose authority and duties are not prescribed in these By-Laws shall have the authority and perform the duties prescribed, from time to time, by the Board. Any two (2) or more offices may be held by the same person except the offices of President and Secretary.

Section 4.2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board at its annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until his successor

shall have been duly elected and shall have qualified or until his death or earlier resignation or removal. Election of an officer shall not, of itself, create contract rights.

Section 4.3. Removal. Any officer elected or appointed by the Board may be removed by the Board whenever, in its judgment, the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4.4. President. The President shall be the principal executive officer of the Corporation. Subject to the direction and control of the Board, he shall be in charge of the business and affairs of the Corporation; shall see that the resolutions and directives of the Board are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board, and in general, he shall discharge all duties incident to the office of President and such other duties as may be prescribed by the Board. If he is a Director, he shall preside at all meetings of the Members and of the Board. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation, or a different mode of execution is expressly prescribed by the Board or these by-laws, he may execute for the Corporation any contracts, deeds, mortgages, bonds, or other instruments which the Board has authorized to be executed, and he may accomplish such execution either under or without the corporate seal of the Corporation and either individually or with the Secretary, any Assistant Secretary, or any other officer thereupon authorized by the Board according to the requirements of the form of the instrument.

Section 4.5. The Vice Presidents. In the absence of the President, or in the event of his disability or inability to act or to continue to act, the Executive Vice President, or in the event of a vacancy in the office of the Executive Vice President or in the event that no Executive Vice President has been designated by the Board, or in the event of the absence of the Executive Vice President or his disability

or inability to act, or to continue to act, the Vice Presidents in the order designated by the Board, or in the absence of such designation, in the order each shall have respectively held the office of Vice President the longest period of time, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Executive Vice President or any vice President may sign, with the Secretary or an Assistant Secretary or any other proper officer of the Corporation thereunto authorized by the Board, certificates of membership in the Corporation, and he shall perform such other duties as from time to time may be assigned to him by the President or by the Board.

Section 4.6. Treasurer. The Treasurer shall be the principal accounting and financial officer of the Corporation. He shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Corporation; (b) have charge and custody of all funds and securities of the Corporation, and be responsible therefore and for the receipt and disbursement thereof and (c) perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine.

Section 4.7. Secretary. The Secretary shall record the minutes of the meetings of the Members and of the Board in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, be custodian of the records and of the seal of the Corporation, keep a register of the post office address of each Member which shall be furnished to the Secretary by such Members, and perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.

Section 4.8. Assistant Treasurers and Assistant Secretaries. The Assistant Treasurers shall, if required by the Board, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board shall determine. The Assistant Secretaries may sign with the President, the Executive Vice President, if any, or a Vice President, certificates of membership in the Corporation. The Assistant Treasurers and Assistant Secretaries, in general, shall perform the duties as shall be assigned to them by the Treasurer, or the Secretary, respectively, or by the President or the Board.

ARTICLE V

ASSESSMENTS

Section 5.1. Purpose of Assessments. The Assessments levied by the Corporation shall be used exclusively for the purpose of promoting the health, safety, and welfare of the Members of the Corporation and the users of Lots within Castlewood, and in particular, for the improvement, construction, fencing, repairing, operating, and maintenance of and related to the use and enjoyment of the Lakes and Common Grounds and Common Property, including but not limited to, the payment of taxes and insurance thereon and for the cost of labor, equipment, materials, management, and supervision thereof.

Section 5.2. Annual Accounting. Annually after the close of each calendar year of the Corporation and prior to the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared and furnished to each Member a financial statement prepared by the Corporation, which statement shall show all receipts and expenses received, incurred, or paid during the preceding calendar year.

Section 5.3. Proposed Annual Budget. Annually before the date of the annual meeting of the Corporation, 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 furnishing a copy of such proposed budget to each Member at least two weeks prior to the annual meeting. The annual budget shall be submitted to the Members at the annual meeting of the Corporation for adoption, and if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the ensuing or current fiscal year. At the annual meeting of the Members, the budget shall be approved in whole or in part or may be amended in whole or in part by a majority of the votes cast, provided, however, in no event shall the annual meeting be adjourned without or until the annual budget is approved at such meeting, either the proposed annual budget or the proposed annual budget as amended.

The annual budget, the Regular Assessment, and all sums assessed by the Corporation shall be established by using generally accepted accounting principals applied on a consistent basis. The annual budget and the Regular Assessment shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund or capital expenditures, replacement and repair of the Lake and Common Grounds, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Lake and Common Grounds. Such replacement reserve fund for capital expenditures, replacement and repair of the Lake and Common Grounds shall be maintained by the Corporation in a separate interest bearing account or accounts with a savings and loan association or bank authorized to conduct business in Lake County, Indiana, selected from time to time by the Board of Directors.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided whenever determined.

Section 5.4. Date of Commencement of Annual Assessments; Due Dates. The Annual

Assessments shall commence on a date (which shall be the first day of a month) fixed by the Board. The first Annual Assessment shall be made for the fiscal year of the Corporation in which such Assessment is made and shall become due and payable commencing on the day fixed by the Board. The Annual Assessment for any year after the first year shall become due and payable commencing on the first day of April of said year. Annual Assessments shall be due and payable in full as of the first day of the period for which they are payable, provided that the Board may from time to time by resolution authorize the payment of such Assessments in installments.

Section 5.5. Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year together with any deficiency from the previous year as set forth in said budget, contain the proposed assessment against each Lot which shall be the same for each Lot. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such Assessment against his Lot (herein called the "Regular Assessment"). The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including the reserve fund as herein above provided. The Regular Assessment against each lot shall be paid in advance on or before the first day of April of such calendar year and shall bear late fees as defined in Section 5.9 and interest at the rate of 18% per annum thereafter until paid in full. The Board of Directors may provide that the Assessment shall be paid in quarterly or monthly installments without interest. Payment of the Regular Assessment shall be made to the Board of Directors or as otherwise directed by the Board of Directors. The Regular Assessment for the year shall become a lien on each separate Lot as of April 1 of each calendar year.

Section 5.6. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may be deemed necessary by the Board of Directors. In

such event, the Board of Directors shall be authorized to adopt a resolution to make such expenditures and shall have the full right, power, and authority to make a Special Assessment of equal amount upon each Lot which shall become a lien on such Lot, upon approval of such resolution by two-thirds of the votes of Class A Members and all of Class B Members at a special meeting of Members duly called in accordance with the By-Laws for the purpose of approving or rejecting such resolution (herein called "Special Assessment").

Section 5.7. Duties of the Board. The Board shall cause proper books and records of the levy and collection of each Annual and Special Assessment to be kept and maintained, including a roster setting forth the identification of each Building Site and each Assessment allocable thereto, which books and records shall be kept in the office of the Corporation and shall be available for inspection and copying by any Member (or duly authorized representative of a Member) at all reasonable times during regular business hours of the Corporation. Each Member shall give written notice to the Board stating the full name, address, and telephone number of the person to whom notices to such Member should be delivered and addressed, which shall be subject to change from time to time by written notice given to the Board by such member; provided, that if any Member shall fail so to notify the Board of the name and address of such person for notices to such Member, or if any written notice from the Board to such Member shall be returned undelivered, then such notice may be given by mailing a copy thereof to the address to which the last real estate tax bill for the Parcel or Building Site of such Member was addressed. The Board shall maintain a roster of such names, mailing addresses, and telephone numbers, which shall be available for inspection and copying by any Member as herein above provided. The Board shall cause written notice of each Assessment authorized and levied by the Corporation, and the allocable portion thereof, to be mailed to the Member owning each Building Site or Parcel as promptly

as practicable and in any event not less than thirty (30) days prior to the due date of such Assessment or any installment thereof.

Section 5.8. Assessment Certificate. The Corporation, upon demand and payment of a service fee in an amount determined from time to time by the Board, shall at any time, furnish to any Member a certificate in writing signed by an officer of the Corporation setting forth the extent to which Assessments have been levied and paid for the Parcel or Building Site owned by such Member. As to any Person relying thereon, such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 5.9. Effect of Non-Payment of Assessment: Personal Obligations of the Member.

- (a) No Owner may exempt himself from paying Regular Assessments and Special Assessments or from contributing toward the Common Expenses or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Area or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person, the liability of such person shall be joint and several. If any Owner shall fail, refuse, or neglect to make any payment of any Regular assessment or Special Assessment when due, the lien for such Assessment on the Owner's Lot may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon failure of the Owner to make timely payment of any Regular Assessment or Special Assessment when due, the Board may, in its discretion without notice, accelerate the entire balance of unpaid assessments and declare the same immediately

due and payable, notwithstanding any other provisions hereof to the contrary. The Board may, at its option, bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment, whether by foreclosure or otherwise, the Board for and on behalf of the Corporation, shall be entitled to recover from the Owner of the respective Lot costs and expenses of such action incurred (including but not limited to reasonable attorneys fees) and interest from the date such Assessments were due until paid at the rate of 18% per annum, all without relief from the valuation and appraisal laws.

- (b) Beginning with the annual assessment in the year 2000, a late fee shall be assessed to members who fail to timely pay their annual assessments. A late fee of \$25.00 will be assessed against those members who fail to pay their annual assessments on or before April 1st. A second late fee of \$25.00 will be assessed to those members who fail to pay their annual assessments on or before May 1st. A third late fee of \$25.00 will be assessed against those members who fail to pay their annual assessments on or before June 1st. No more than \$75.00 shall be assessed against any member in any single year as late fees. The late fee assessment shall be in addition to any interest accruing on unpaid assessments. Any interest to accrue on unpaid assessments shall also accrue on late fees.

Section 5.10. Priority of Assessment Lien. Notwithstanding anything contained in the Declaration, the Articles or the By-Laws, any sale or transfer of a Lot to a mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale

in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installment which became due prior to such sale, transfer, or conveyance; provided, however, that the extinguishment of such lien cannot relieve the prior Owner from personal liability therefore. No such sale, transfer, or conveyance shall relieve the Lot or the purchaser at such foreclosure sale or grantee in the event of conveyance in lieu thereof from liability for any installments of Regular Assessments or Special Assessments thereafter becoming due or from the lien therefore. Such unpaid share of any Regular Assessments or Special Assessments, the lien from which has been divested as aforesaid, shall be deemed to be a Common Expense collectible from all Owners (including the party acquiring the subject Lot from which it arose).

Section 5.11. Notice of Unpaid Assessments. The Corporation shall, upon request of a mortgagee, a proposed mortgagee, or purchaser who has a contractual right to purchase a Lot, furnish to such mortgagee or purchaser of a Lot a statement setting forth the amount of the unpaid Regular or Special Assessments against the Lot, which statement shall be binding upon the Corporation and the Members, and any mortgagee or grantee of the Lot shall not be liable for, nor shall the Lot conveyed by subject to a lien for, any unpaid Assessments in excess of the amount set forth in such statement. The Corporation may assess a charge of \$10.00 for preparation of such statement.

ARTICLE VI

INDEMNIFICATION

Section 6.1. Indemnification. The Corporation shall, to the fullest extent permitted by the Indiana Not-For-Profit Corporation Act of 1971, or any other applicable laws as may from time to time

be in effect, indemnify any person who was or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director, officer, or member of a committee of the Corporation, or is or was serving at the request of the Corporation as a Director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against all expenses (including attorneys fees), judgments, fines, and amounts paid in settlement actually and reasonable incurred by him in connection with such action, suit, or proceeding.

Section 6.2. Contract. The provisions of this Article VI shall be deemed to be a contract between the Corporation and each Director, officer, or member of a committee of the Corporation who serves in any capacity at any such time while this Article and the relevant provisions of the Indiana Not-For-Profit Corporation Act of 1971 or other applicable laws, of any, are in effect, and any repeal or modification of any such law or of this Article VI shall not affect the rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit, or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

Section 6.3. Discretionary Coverage. Persons not expressly covered by the foregoing provisions of this Article VI may be indemnified to the extent authorized at any time and from time to time by the Board.

Section 6.4. Exclusivity. The indemnification provided or permitted by this Article VI cannot be deemed exclusively of any other rights to which those indemnified may be entitled by law or otherwise and shall continue as to a person who has ceased to be a Director, officer, employee, or agent of the Corporation and shall inure to the benefit of the heirs, executors, and administrators of each such person.

ARTICLE VII
FISCAL AFFAIRS AND AUDIT

Section 7.1. Fiscal Year. The fiscal year of the Corporation shall begin on first day of January and end on the last day of the next following December.

Section 7.2. Audits. The accounts of the Corporation may be audited each year as of the 31st day of December by a certified public accountant of recognized standing selected by vote of the Board.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Records. The Corporation shall keep correct and complete books and records of account which shall show, at all times, the financial condition of the Corporation and a separate financial account of each Member, and shall also keep minutes of the proceedings of its Members, the Board, committees, and councils, and shall keep at the principal office of the Corporation a record giving the names, addresses, and telephone numbers of all its Members. All books and records of the Corporation may be inspected by any Member or his agent, designee, or attorney for any proper purposes at any reasonable time.

Section 8.2. Contracts. The Board may authorize any officer or officers or agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 8.3. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 8.4. Checks, Drafts, and Other Instruments. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or by such agent or agents of the Corporation and in such manner as from time to time may be determined by the Board or its delegates.

Section 8.5. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board or its delegates may select.

Section 8.6. Voting of Stock of Other Corporations. In the absence of specific action by the Board, the President shall have authority to represent the Corporation and to vote on behalf of the Corporation the securities of other corporations, both domestic and foreign, held by the Corporation.

Section 8.7. Notices. Except as otherwise provided in these By-Laws, notices to Directors and Members of the Corporation shall be in writing and delivered personally or mailed to the Directors or Members at their addresses appearing on the books of the Corporation. Notice given by mail shall be deemed to be given at the time when the same shall be mailed (exact mailing time to be determined by official postmark). Notice to Directors may also be given by telegram, and in such case shall be deemed to be given when the telegram is communicated to the telegraph company, or by telephone or similar communications equipment, and in such case shall be deemed to be given when the telephone or other call is placed and promptly confirmed by telegram or cablegram.

Section 8.8. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute or of the Articles or of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance or presence of any person at any meeting of Members of the Corporation

or Directors shall constitute a waiver of notice of such meeting, except when the Member or Director attends a meeting only for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because a meeting is not lawfully called or convened. Except as required by statute, the Articles, or these By-Laws, neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 8.9. Seal. The Corporation may have from time to time upon direction of the Board a seal of such design as the Board may adopt and which may be used in such manner as may be approved by the Board, provided that such seal, if any, shall contain the words “Castlewood Property Owners Association, Inc.”, “Corporate Seal”, and “Indiana”.

Section 8.10. Gifts. The Board of Directors may accept on behalf of the Corporation any contributions, gifts, bequests, or devises for the general purpose or for any special purpose of the Corporation.

Section 8.11. Certificates of Membership. Every Member of the Corporation shall receive a certificate evidencing Membership in the Corporation which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice-President and by the Secretary or an Assistant Secretary and shall designate the class of such Member. The name, address, and telephone number of each Member shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine. Membership in the Corporation is not transferable separate from the Member’s ownership interest in a Parcel or Building site in the Center.

Section 8.12. Dissolution. The Corporation shall use its funds only to accomplish its objectives

and purposes as specified in the Articles, and no part of its funds shall inure to or be distributed to the Members of the Corporation except upon receipt of full consideration in money or money's worth therefore. Upon the dissolution of the Corporation, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, philanthropic, or other non-profit organizations whose purposes are substantially similar to those of the Corporation as may be selected by the Board.

Section 8.13. Sale or Lease of Common Grounds or Improvements. There shall be no lease or sale of Common Grounds or Lake(s) or improvements thereto without approval by 2/3 of the total property owners either in person or by proxy at a meeting called for that purpose. For purposes of this section, Members are restricted to one (1) vote per Lot owned.

ARTICLE IX

DEFINITIONS

For all purposes of these By-Laws, the following terms shall have the meanings set forth for such terms, respectively, in this Article IX:

Section 9.1. Assessment. "Assessment" shall mean the cost of maintaining, improving, repairing, and managing the Lake and Common Grounds determined and levied pursuant to the provisions of Article V of these By-Laws.

Section 9.3. Board. "Board" shall mean the Board of Directors of the Corporation.

Section 9.6. Castlewood. "Castlewood" shall mean all of the property described in Clause I, Paragraph 2 of the Declaration.

Section 9.7. Committee. "Committee" shall mean the Architectural Review Committee.

Section 9.8. Common Expenses. "Common Expenses" shall mean the actual and estimated costs

to the Developer or the Corporation of:

- (a) expenses for the administration of the Corporation, and expenses for the upkeep, maintenance, management, improvement, repair, and replacement of the Lake and Common Grounds and Common Property, and Public Areas, and all sums lawfully assessed against Members of the Corporation;
- (b) management and administration of the Corporation, including, without limiting the same, compensation paid to a managing agent, accountants, attorneys, and other employees; and
- (c) any other cost or expense incurred for the benefit of the Lake and Common Grounds and Common Property, the Corporation, or the Committee that may from time to time be expressly approved by the Board.

Section 9.9. Common Property. “Common Property” shall mean all real and personal property other than Common Grounds owned by the Corporation and all real and personal property dedicated to the Town of Dyer, County of Lake, or State of Indiana, which the Board shall specifically designate as Common Property for the purpose of maintenance, management, repairs, improvements, and replacements for the best interest of the Owners.

Section 9.10. Corporation. “Corporation” shall mean Castlewood Property Owners’ Association, Inc., its successors and assigns, a not-for-profit corporation, whose Members shall be the Owners of Lots, or appointees as provided in Clause VI, Paragraph I of the Declaration, such Corporation being more particularly described in Clause VI, Paragraph I of the Declaration.

Section 9.11. Declarant. “Declarant” shall mean Andrew J. Kopko, as Trustee, under a Trust Agreement dated January 12, 1977, or any successor Trustee thereunder.

Section 9.12. Declaration. “Declaration” shall mean the Declaration of covenants, conditions, and restrictions for Castlewood, Dyer, Indiana, made as of November 24, 1981, by Andrew J. Kopko, as Trustee under Trust Agreement dated January 12, 1977, as owner of record of the real property subject to the Declaration, which was filed in the Office of the Recorder of Lake County, Indiana, on December 9, 1981, as Document No. 653224 and Additional Annexed Tracts and Declaration therefore as is provided under Clause VII of the Declaration.

Section 9.14. Lake and Common Grounds. “Lake and Common Grounds” shall mean the parks, lakes, detention areas, and other real property within Castlewood reserved by Declarant for the common use of all residents and owners of This Subdivision and other areas of Castlewood as shown on a recorded plat of subdivision or in a specific conveyance by Declarant to the Corporation.

Section 9.15. Lot. “Lot” shall mean any plot of ground designated as such upon the recorded Plat of This Subdivision or upon a recorded plat, if any of the Additional Tract or any part thereof is platted and annexed pursuant to Clause VII of the Declaration, and upon which one (1) Building is constructed, is to be constructed or has existed. When Lot is used, it shall be deemed to include the Building, if any, located thereon.

Section 9.16. Owner. “Owner” shall mean a person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, who owns the fee simple title to a Lot.

Section 9.17. Person. “Person” shall mean a natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

Section 9.18. Public Areas. “Public Areas” shall mean those areas within Castlewood now or hereafter dedicated for public or public utility use in a plat of subdivision or separate conveyance to the Town of Dyer, of the Public in general, including but not limited to the street, public utilities, pavements

and curbs, parkways within the median between street pavements or on either side of the street pavement including any sidewalks or other improvements constructed thereon.

Section 9.19. This Subdivision. “This Subdivision” shall mean the real estate described in Clause I, Paragraph I of the Declaration.

Section 9.20. Member in Good Standing. “Member In Good Standing” shall mean a Member who is current on any and all assessments.

ARTICLE X

AMENDMENT

Section 10.1. Presentment. Proposed amendments to these By-Laws that are not inconsistent with the Article of Incorporation of the Corporation, the Declaration, or applicable law may be initiated by a majority of the Board. The presentment shall be made in writing and to the Secretary of the Board.

Section 10.2. Notice to Directors. Prompt notice of each proposed amendment of these By-Laws shall be given to all members of the Board by the Secretary not less than five days prior to the meeting of the Board at which such amendments shall be considered and voted upon.

Section 10.3. Approval. Amendments may be considered at any annual or special meeting of the Board. The affirmative vote of two-thirds of the votes entitled to be cast by the entire Board shall be necessary for the approval of any amendment of these By-Laws.

ARTICLE XI

COMMITTEES

Section 11.1. Grievance Review Committee. The Grievance Review Committee (GRC) shall provide the platform for appeal of decisions made by the Board regarding property owners of

Castlewood Subdivision. This shall include all matters not under the purview of the Architectural Review Committee (ARC). This committee shall be composed of three (3) randomly selected Members who are part of a pool of volunteers. The volunteers will be made up of resident property owners in good standing and will serve one (1) year or until the next Annual meeting, whichever comes first. No Member of the Board may serve on the GRC. Interim vacancies will not be filled unless the total pool falls below five (5) Members. At that time, the GRC will advertise for additional members. The GRC will be headed by a Chairperson who will be selected by the volunteer group and will act as coordinator between the Board and the GRC. The chairperson will not be a voting member in any GRC actions.

The process of Grievance Review will begin with a written request from the property owner to the GRC chairperson stating the facts and the decision that they wish to contest. Within fifteen (15) days of receipt of the request, the Chairperson will randomly select three (3) volunteers in the presence of the majority of the Board. These volunteers may have no conflict of interest in the case and no more than one (1) person of the three (3) may be from the same residence. The GRC will make a decision within 15 days of review of the case, and a recommendation will be made to the Board. If the GRC agrees with the Board, all parties will be notified. If the committee disagrees with the Board, the case will go back to the Board for review. The board will then either reaffirm its position by vote of a majority of the Board or change it based on the GRC's recommendation.

Section 11.2. Architectural Review Committee. The Architectural Review Committee (ARC) shall consist of five (5) Members in good standing appointed by the Board, with first consideration given to qualified volunteers. The ARC will serve under the provisions set forth in the Covenants. In the event of death, resignation or removal of a Member of the ARC, the vacancy shall be filled by appointment of the Board.

Section 11.3. Qualifications. A person must be a Member in Good Standing to serve on any committee. No person may serve on the Grievance Review Committee and the Architectural Review Committee at the same time.

Section 11.4. Other Committees. Other committees may be formed by the Board of Directors as the need arises.