

AMENDED AND RESTATED CODE OF BY-LAWS
OF
CASTLETON ESTATES, INC.

ARTICLE I
Effective Date

Section 1.01. Effective Date of Adoption. These Amended and Restated By-Laws of Castleton Estates, Inc., were duly adopted by vote of the Board of Directors on or about June 11, 1996 and are effective as of such date.

ARTICLE II
Identification

Section 2.01. Name. The name of the Corporation is Castleton Estates, Inc. (the "Corporation").

Section 2.02. Principal Office and Resident Agent. The post office address of the principal office of the Corporation is Post Office Box 50093, Indianapolis, Indiana 46250-0093. The name and post office address of its Resident Agent shall be such person and such address as may be designated by the Corporation with the Indiana Secretary of State from time to time. The location and/or post office address of the principal office of the Corporation and/or the designation of its Resident Agent, may be changed at any time by majority vote of the Board of Directors.

Section 2.03. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each year and end on the last day of December of the year.

Section 2.04. Definitions. The definitions and terms as defined and used in the Declaration of Covenants and Restrictions for Castleton Estates Development and Castlebrook Development (the "Declaration") shall have the same meaning in these By-Laws and reference is specifically made to Paragraph 1 of the Declaration containing definitions of terms.

Section 2.05. Purpose. The purpose of the Corporation is to manage the recreational facilities and promote the pleasure, recreation and other not-for-profit purposes of the members (homeowners) of the Corporation.

ARTICLE III
Membership

Section 3.01. Classes. The classes of Members are as follows:

Class "A" Members. Declarant and every person or entity who owns one or more Dwelling Units, including but not limited to Owners, shall be Class "A" Members of the Corporation.

Class "B" Members. Class "B" Members shall be any officer, director, partner or appointee of a Class "A" Member and any Resident who is not an Owner.

Section 3.02. Rights, Preferences, Limitations and Restrictions of Classes. All Members of each Class shall have the same rights, privileges, duties, liabilities, limitations and restrictions as the other Members of such Class. All Members shall abide by the Articles of Incorporation, the Code of By-Laws, the rules and regulations adopted by the Board of Directors and all covenants, restrictions and other provisions contained in the applicable Declarations, including any and all Declarations, Restrictions and Covenants applicable to homeowners in Hunters Woods, as well as in Castleton Estates and Castlebrook.

Section 3.03. Membership Certificate. No specific membership certificates shall be issued to members unless authorized by majority vote of the Board of Directors. If so authorized by the Board of Directors, the form of membership certificate shall be prescribed by resolution of the Board of Directors.

Section 3.04. Termination of Membership. Class "A" Membership shall terminate when such person ceases to own any Dwelling Unit and such membership shall be transferred to the new owner of the Dwelling Unit or Units. Class "B" Membership shall terminate when the designating Class "A" Membership terminates, or sooner, if so designated by the Class "A" Member or when the person is no longer a Resident.

ARTICLE IV
Meetings of Corporation

Section 4.01. Purpose of Meetings. At least annually and at such other times as may be necessary, the meetings of the Corporation shall be held for the purpose of electing the Board of Directors, approving annual budget, providing for the collection of expenses, and for such other purposes as may be required by the Declarations, the Articles or these By-Laws.

Section 4.02. Annual Meetings. The annual meeting of the Members of the Corporation shall be held on the third Tuesday of January in each calendar year. At the annual meeting the Members shall elect, by majority vote, the portion of the Board of Directors of the Corporation up for election as in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting. Failure to hold the annual meeting at the designated time shall not cause any forfeiture or a dissolution of the Corporation.

Section 4.03. Special Meetings. A special meeting of the Members of the Corporation may be called by resolution of the Board of Directors or upon a written petition of the Members who have not less than one third (1/3) of the total Class "A" vote, or not less than one half (1/2) of the Class "B" vote. The resolution or petition shall be presented to the President or Secretary of the Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 4.04. Notice and Place of Meetings. All meetings of the Members of the Corporation shall be held at any suitable place in Marion County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting or when otherwise required by law, the purpose or purposes for which the meeting is called shall be delivered or mailed by the Secretary of the Corporation to each Class "A" and Class "B" Member of record at such address as appears on the records of the Corporation, and, if applicable, to any mortgagee of a Dwelling Unit at the address as it appears on the records of the Corporation.

Section 4.05. Waiver of Notice. Notice of any meeting may be waived in writing by any Member if the waiver sets forth in reasonable detail the time and place of the meeting and the purposes thereof. Attendance at any meeting in person, or by proxy, shall constitute a waiver of notice of such meeting.

Section 4.06. Voting Rights. Class "A" Members shall be entitled to one (1) vote for each Dwelling Unit owned on any matter submitted to a vote of the Members; provided, however, each Dwelling Unit represented shall have only one (1) vote as the owners or Class "A" Members owning such Dwelling Unit determine in accordance with Section 4.07 of these By-Laws. Class "B" Members shall have no vote in the matters of the Corporation, but a Class "B" Member may act as a Director and may vote in such capacity on matters which are determined by the Board of Directors.

Section 4.07. Multiple Owner. A Dwelling Unit owned by more than one person may have only one (1) voting representative entitled to cast the vote allocable to such Dwelling Unit. If at any time an issue or dispute arises as to the identity of the

person entitled to cast the vote allocable to such Dwelling Unit, those persons constituting such owners or the partners shall immediately file with the Secretary of the Corporation an irrevocable proxy appointing one of such persons or partners as the voting representative for such Dwelling Unit, which shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order of a court of competent jurisdiction. If those persons constituting such owners or the partners are unable to agree on the identity of the person entitled to cast the vote allocable to such Dwelling Unit, then the President of the Corporation shall have the power to determine the identity of the person entitled to cast said vote, which decision shall be final and binding. Such appointed voting representative, as appointed either by agreement or as determined by the President of the Corporation, may grant a proxy to another to vote in his place at a particular meeting, or meetings, pursuant to Section 4.09 of these By-Laws.

Section 4.08. Voting by Corporation or Trust. Where a corporation or a trust is the owner of a Dwelling Unit or Units 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 entitled by the board of directors of such corporation shall cast the vote to which the corporation is entitled. Such voting representative of a trust or corporation may or may not be a Class "B" Member depending upon the designation given it by the entity such person represents.

Section 4.09. Voting by Proxy. A Member may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy the Member shall duly designate his attorney-in-fact in writing delivered to the Secretary of the Corporation prior to commencement of the meeting. A proxy holder can hold no more than five (5) proxy votes at any meeting of the Members.

Section 4.10. Quorum. Except where otherwise expressly provided in the Declaration, the Articles or these By-Laws, at any meeting of the Members, fifteen percent (15%) of the Class "A" Members entitled to vote represented thereat in person or by proxy shall constitute a quorum.

Section 4.11. Conduct of Meeting. The Chairman of the meeting shall be the President of the Corporation. He shall call the meeting to order at the duly designated time and business will be conducted in the following order:

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

(b) Treasurer's report. The Treasurer shall report to the Members concerning the financial condition of the Corporation and answer relevant questions of the Members concerning the expenses and financial report for the prior year and the proposed budget for the current year.

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

(d) Election of Board of Directors. Nomination for the Board of Directors may be made by any Member from those persons eligible to serve. Such nomination shall be in writing and presented to the Secretary of the Corporation at least ten (10) days prior to the date of the annual meeting; provided, however, that such written nomination requirement can be waived by a majority of the Class "A" Members at the annual meeting and verbal nominations may be taken and seconded from the members present at the meeting. Voting for the Board of Directors shall be by paper ballot or by such other reasonable method as may be approved and adopted by majority vote of the Members present at said meeting. Paper ballots, if applicable, shall contain the name of each person nominated to serve as a Board member, with available space for the writing in of any floor nominations. Each Member may cast the vote or votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes for the available spaces on the Board of Directors shall be elected. Each voting Member shall sign his ballot.

(e) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Corporation at least ten (10) days prior to the date of the meeting; provided, however, such written request may be waived at the meeting if agreed by a majority of the Class "A" Members.

ARTICLE V Board of Directors

Section 5.01. Number. The number of Directors of the Corporation shall be at least four (4) and no more than ten (10).

Section 5.02. Qualification and Election of Directors. All Directors shall be Members of the Corporation at the time of their election to office and during their term of office as Directors. Up to one-half (1/2) of the applicable number of Directors shall be elected at each annual meeting of the Corporation by the Class "A" Members and shall hold office for the term of two (2) years or until their successors have been duly elected and qualified. Notwithstanding the above, for the election of the Board of

Directors occurring at the 1997 annual member meeting, up to one-half of the Board of Directors shall be elected for a one (1) year term and the remaining number of Directors shall be elected for a two (2) year term. Thereafter, up to one-half of the Board of Directors shall be elected each year for two (2) year terms. Any vacancy or vacancies occurring on the Board of Directors shall be filled by a vote of a majority of the remaining Directors or by vote of the Class "A" Members if a Director has been removed in accordance with Section 5.03 of these By-Laws. Any Director elected to fill such vacancy shall serve for the unexpired term of the Director whose vacancy is thus filled. No Owner may be represented on the Board of Directors by more than one person.

Section 5.03. Removal of Director. A Director or Directors other than the initial Board of Directors may be removed with or without cause by vote of a majority of the voting members at a special meeting of the Members duly called and constituted. In such case, the successor shall be elected at the same meeting from eligible members nominated at the meeting. The Director so elected shall serve until out the remaining term of the Director so removed.

Section 5.04. Duties of the Board of Directors. The business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors shall provide for the maintenance, upkeep, repair, replacement, administration, operation, preservation, architectural control and ownership of the Common Area and the collection and disbursement of the expenses therefore. These duties include, but are not limited to:

(a) Protection, surveillance, replacement and ownership of the Common Area, and improvements thereon;

(b) Landscaping, painting, decorating and furnishing of the Common Area;

(c) Assessment and collection from the Members of the Member's pro rata share of the expenses necessary to maintain the Common Area;

(d) Preparation of an annual budget, a copy of which will be mailed or delivered to each Member at the same time as the notice of annual meeting is mailed or delivered;

(e) Preparing and delivering annually to the Members a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Member as soon as reasonably possible after the close of the accounting year, but in no case later than ninety (90) days after the close of the accounting year;

(f) Keeping a current, accurate and detailed record of receipts and expenditures affecting the Common Area, specifying and itemizing the expenses; all records and vouchers shall be available for examination by a Member upon written request to the Corporation at such time and place as may be reasonably specified by the Corporation and in accordance with the provisions of applicable Indiana law.

Section 5.05. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of its duties. These powers include, but are not limited to, the power:

(a) To employ a property manager hereinafter referred to as "Property Manager" to assist the Board in performing its duties;

(b) To purchase for the benefit of the Members such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;

(c) To procure for the benefit of the Members fire and extended coverage insurance covering all improvements in the Common Area to the full insurable value thereof and to procure public liability and property damage insurance and Workmen's Compensation insurance, if necessary, and such other insurance as may be determined by the Board of Directors in its sole discretion as for the benefit of the Members and the Corporation;

(d) To employ legal counsel, architects, contractors, accountants and others as in the sole judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;

(e) To include the costs of all of the above and foregoing as expenses of the Corporation;

(f) To open and maintain a bank account or accounts in the name of the Corporation;

(g) To adopt, revise, amend and alter, from time to time, reasonable rules and regulations with respect to use, operation and enjoyment of the Common Area.

Section 5.06. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total single expenditure of no more than \$5,000.00 without obtaining the prior approval of a majority vote of the Members, except in the following cases:

(a) Contracts for replacing or restoring portions of the Common Area damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually

received;

(b) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Members at the annual meeting;

(c) Reasonable expenditures for the necessary repair, replacement or preservation of improvements located on the Common Area if the funds for such repairs or replacements are available in any prior surplus of the Corporation.

Section 5.07. Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of the Members, with the express exception that upon majority vote of the Board of Directors, the yearly homeowners assessment for the individual serving as Treasurer of the Corporation for that year may be waived in recognition of the additional time and expense required of the Treasurer of the Corporation in the performance of his or her duties.

Section 5.08. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Members at the place where such meeting of the Members was held. This meeting shall be held for the purpose of electing or re-electing officers of the Corporation and consideration of any other business that may be brought before the meeting. No notice shall be necessary for the holding of this annual meeting.

Section 5.09. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. The Secretary shall give oral or written notice of the regular meetings of the Board of Directors five (5) days or more prior to the date of such meeting.

Section 5.10. Special Meetings. Special meetings of the Board may be called by the President or any two (2) members of the Board. Persons calling such meeting shall give written notice thereof to the Secretary who shall, either personally or by mail at least three (3) days prior to the date of such special meeting, give notice to the Board members. Notice of the meeting shall contain a statement of the purpose for which the meeting was called. Such meeting shall be held at such place and at such time in Marion County, Indiana, as shall be designated in the notice.

Section 5.11. Waiver of Notice. Before any meeting of the Board, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall, as to such Director, constitute waiver of notice of the time, place and

purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5.12. Quorum. A majority of the entire Board of Directors shall be necessary to constitute a quorum for the transaction of any business and the action of a majority of the Directors present at any meeting at which a quorum is present shall be the decision of the Board of Directors unless the decision of a greater number is required by law, the Declaration, the Articles of Incorporation or these By-Laws.

Section 5.13. Executive Committee. The Board of Directors may by resolution adopted by majority of the whole Board designate two or more members of the Corporation to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and exercise all the authority of the Board of Directors in the management of the Corporation, but the designation of a committee and delegation of authority to it shall not operate to relieve the Board of Directors or any Member from any responsibility imposed upon it or him.

Section 5.14. Bond. The Board of Directors may require, by majority vote, the Treasurer and such other officers as the Board deems necessary to give bond, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be provided by these By-Laws or the Board of Directors.

ARTICLE VI **Officers**

Section 6.01. Officers of the Corporation. The principal officers of the Corporation shall be the President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint, by majority vote, an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person.

Section 6.02. Election of Officers. The officers of the Corporation shall be elected annually by the Board at the initial meeting of each new Board. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 6.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer

of the Corporation. He shall preside at all meetings of the Corporation and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including but not limited to the power to appoint committees from among the Members as he may deem necessary to assist in the affairs of the Corporation and to perform such other duties as the Board may from time to time prescribe.

Section 6.04. The Vice-President. The Vice-President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice-President shall also perform such other duties as these By-Laws may prescribe or as shall, from time to time, be imposed upon him by the Board or by the President.

Section 6.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Corporation and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Corporation or the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 6.06. The Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Corporation and such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Corporation. He shall immediately deposit all funds of the Corporation coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Corporation.

Section 6.07. Assistant Officers. Any assistant or other officers who may be designated from time to time by majority vote of the Board of Directors, shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

Section 6.08. Delegation of Authority. In the case of the absence of any officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or to any Director, for the time being, provided a majority of the entire Board concurs therein.

ARTICLE VII
Assessments

Section 7.01. Assessments. The assessments and payment of assessments to cover the costs and expenses of operating, maintaining and replacing the Common Area shall be in accordance with the following procedure:

(a) **Annual Accounting.** Annually after the close of each fiscal year and on the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared and furnished each Member a financial statement showing all receipts and expenses received, incurred or paid, from January 1 through October 31 of that fiscal year as well as the projected year-end receipts and expenses for that fiscal year.

(b) **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 expenses for the ensuing year and furnishing a copy of such proposed budget to each Member at least two (2) 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 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 the 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.

(c) **Regular Assessments.** The annual budget as adopted shall, based on the estimated cash requirement for the expenses in the ensuing year as set forth in said budget, contain the proposed assessment against each Dwelling Unit which shall be the same for each Dwelling Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his Dwelling Unit or Units (the "Regular Assessment"). The Regular Assessment against each Dwelling Unit shall be paid in accordance with the method of payment determined by the Board of Directors as necessary to satisfy the financial requirements and obligations of the Corporation. Payment of such Regular Assessment shall be made to the Board of Directors or as otherwise directed by the Board of Directors.

(d) **Special Assessments.** From time to time, 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 such a special assessment of equal amount upon

each Dwelling Unit upon approval of such resolution by two-thirds (2/3's) of the votes of the Class "A" Members present at such special meeting of Members duly called in accordance with the By-Laws for the purpose of approving or rejecting such resolution (the "Special Assessment").

(e) Failure of Owner to Pay Assessments. Each Owner of a Dwelling Unit shall be personally liable for the payment of all Regular, Special and Initial Assessments for the Common Area. Where the owner constitutes more than one person, the liability of such persons shall be joint and several. If any owner of a Dwelling Unit shall fail, refuse or neglect to make any payment of any Regular or Special Assessment when due, such Regular or Special Assessment shall bear interest from the date due at the rate of nine percent (9%) per annum and such other late fees and/or charges as may be imposed uniformly by the Board of Directors. If the owner of the Dwelling Unit fails to pay any assessment when due, the Board may at its option use whatever legal means is available to collect such assessments and the Board, for and on behalf of the Corporation, shall be entitled to recover the costs and expenses of such collection incurred, including but not limited to reasonable attorneys' fees, from the owner of the Dwelling Unit failing to pay.

ARTICLE VIII

Contracts, Checks, Notes, Etc.

Section 8.01. With the exception of regular and normal budgeted expenses which may be paid by the Treasurer on authority of the Board of Directors, all contracts and agreements entered into by the Corporation and all checks, drafts, and bills of exchange, and orders for the payment of money shall, in the conduct of the ordinary course of business of the Corporation, unless otherwise directed by the Board of Directors or unless otherwise required by law, be signed by the President or, in his absence, the Treasurer. Any one of the documents heretofore mentioned in this Section for use outside the ordinary course of the business of the Corporation, or any notes or bonds of the Corporation shall be executed by and require the signature of both the President and Secretary.

ARTICLE IX Amendments

Section 9.01. The power to make, alter, amend or repeal these By-Laws is vested in the Board of Directors of the Corporation, but such action shall be taken only at a meeting of such Board specifically called for such purpose. The affirmative vote of the majority of all the Directors shall be necessary to effect any such changes in these By-Laws, unless otherwise provided in the

Articles, these By-Laws or the Declaration; provided, however, no amendment may be made to these By-Laws that would conflict with or be contrary to the terms and provisions of the Declaration.

ARTICLE X
Indemnification of Directors and Officers

Section 10.1. The Corporation shall indemnify any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate is or was a director, officer or employee of the Corporation against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding or in connection with any appeal thereof, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such officer, director or employee is liable for gross negligence or intentional misconduct in the performance of his duties. The Corporation may also reimburse to any such officer, director or employee the reasonable costs of settlement of any such action, suit or proceeding if it shall be determined by a majority of the Board of Directors not involved in the controversy (whether or not a quorum), that it was in the best interests of the Corporation that such settlement be made and that such director, officer, or employee was not guilty of gross negligence, or intentional misconduct. Such rights of indemnification and reimbursement shall not be considered exclusive of any other rights to which such director, officer or employee may be entitled apart from the provisions of this Article.

