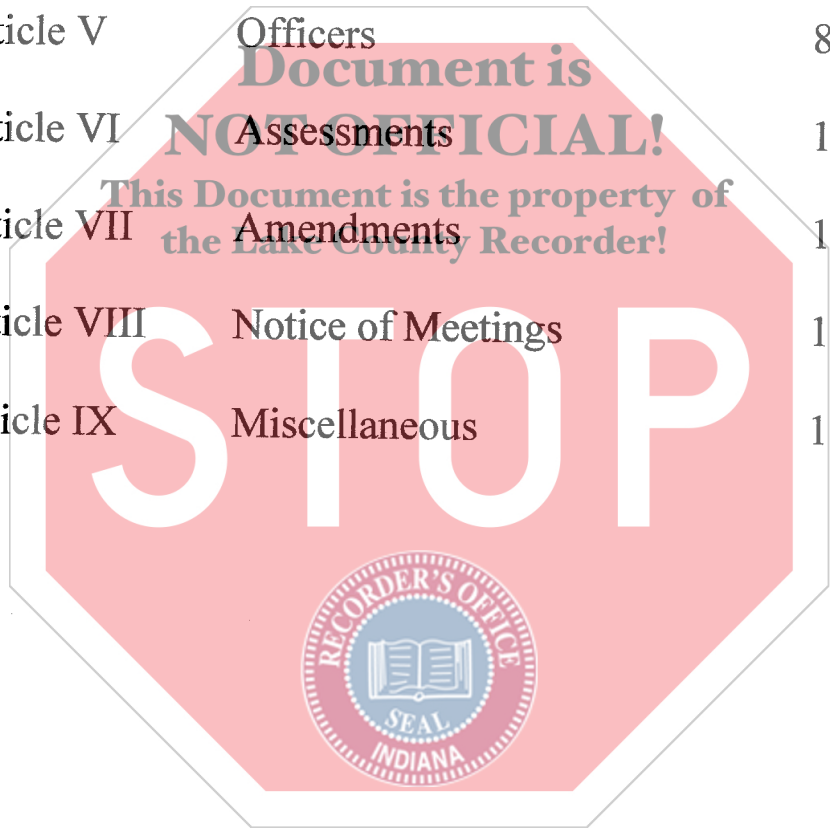


HAVENWOOD HOMEOWNERS ASSOCIATION

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Bylaws of the Havenwood Homeowners Association Inc.

ARTICLE I

Identification

Section 1.01. Name. The name of the Corporation is Havenwood Homeowners Association Inc. (hereinafter referred to as "HHOA"), a non-profit Indiana Corporation.

Section 1.02. Principle Office. The principle office of the HHOA shall be located at P.O. Box 387, Cedar Lake IN 46303. Any request for information must be submitted in writing to the aforementioned address. Upon receipt of such request, the Secretary will notify the Executive Board and make the requested information available, and will make arrangements for inspection of the requested material by the requesting party at a mutually agreed time and place.

ARTICLE II

Mission Statement **This Document is the property of
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Section 2.01. To provide for a governing body for the Havenwood Subdivision; a single-family residential community in Cedar Lake Indiana. The HHOA shall have the responsibility to provide a community environment that is safe, healthy, and a wholesome place to reside, raise families, and continue to maintain the value of the investment of each homeowner/property owner. HHOA is to establish and enforce rules, policies, procedures, and requirements as outlined in both the homeowners Covenants as well as the Bylaws of the Association and in accordance with all local, county, and state laws.

ARTICLE III

Homeowners

Section 3.01. The members of the HHOA shall consist of the homeowners of the Havenwood Subdivision, a single-family subdivision.

Section 3.02. The membership of each homeowner shall terminate when he/she ceases to be the homeowner, and upon the sale of his/her ownership of the property, his/her membership in the HHOA shall automatically be transferred to the new homeowner.

Section 3.03. The annual meeting of the homeowners shall be held each year, one in the spring at such time and place as the Executive Board may arrange. The agenda of the meeting shall be as follows:

- (a) Call to Order
- (b) Secretary's Report
- (c) Treasurer's Report
- (d) Committee Reports
- (e) Old Business
- (f) New Business
- (g) Adjournment

If there are any questions *The New Robert's Rules of Order* will prevail.

Section 3.04. Ordinary Voting Rights. Each homeowner/property owner shall have one vote. If the home is owned by more than one party or is in a land trust there is still only one vote per home. If presented with an agreement signed by the owners in fact, HHOA shall recognize the beneficial owner as the homeowner for the purpose of voting. To be eligible to vote all HHOA dues and assessments must be current. The treasurer shall provide a list to the secretary of those residents not eligible to vote because of outstanding financial obligation.

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Section 3.05. Proxies. A homeowner may vote either in person or by written proxy executed by the homeowner or his/her duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the HHOA before or at the time of the meeting.

Section 3.06. Record Date and Voting Lists. Unless otherwise fixed by the Executive Board, the record date for determining homeowners entitled to notice and to vote at any homeowners/property owners meeting is the close of business on the date before the first notice is sent to the homeowners in accordance with Article VIII below. The Secretary of the HHOA shall make, at least five (5) business days before each meeting, an alphabetical list of the homeowners/property owners entitled to notice of such meeting, with the address of those so entitled to vote, which list shall be on file at the principal office of the HHOA and subject to inspection by any homeowners or his/her duly authorized agent. Such list shall be produced and kept open at the time and place of the meeting.

Section 3.07. Quorum. At any meeting of the HHOA, a majority of the homeowners (current dues and assessments paid in full) of the HHOA present in person or by proxy, shall constitute a quorum. Except as otherwise provided by the Indiana Business Corporation Law, as amended, or by express provision of the Articles of Incorporation or

these Bylaws, a two-thirds (2/3's) majority of said quorum may decide any question which may properly come before any meeting except voting for directors, which may be decided by a majority. On tie votes the President shall cast one additional vote.

Section 3.08. Action by Unanimous Written Consent without a Meeting. Any action, which is required or permitted to be taken at a meeting of the homeowners, may be taken without a meeting if one or more written consents describing the action taken is signed by each homeowner/property owner of record. A copy of the consent shall be filed with the minutes of the meetings of the homeowners/property owners. Action taken by such consent or consents is effective when the last homeowner signs the consent, unless the consent specifies a different prior or subsequent effective date.

Section 3.09. Simultaneous Communication. Any or all homeowners may participate in an annual or special meeting of homeowners by, or through the use of, any means of communication by which all homeowners participating may simultaneously hear each other during the meeting. Such homeowner participating in a meeting by this means is deemed to be present in person at the meeting.

Section 3.10. Special Voting. Matters subject to the affirmative vote of not less than two-thirds (2/3) of the votes of those present at a meeting duly called for the purpose shall include, but not be limited to:

- (a) Expenditures greater than ten thousand and dollars (\$10,000)
- (b) Merger, consolidation, or dissolution of the HHOA
- (c) Contracts more than three (3) years in longevity
- (d) Any Special funding assets exceeding one hundred dollars (\$100)
- (e) Amendments of these Bylaws or Covenants

ARTICLE IV

Officers and Executive Board

Section 4.01. Number.

The number of officers shall be a minimum of three (3), President, Vice President/Secretary, and Vice President, Treasurer, or a maximum of four (4) officers, President, Vice President, Secretary, and Treasurer. The directors shall have a maximum of seven (7) members, which may change from time to time, but may not shorten an incumbent director's term, This is the Executive Board which may see fit to elect additional members pursuant to Article V Section 5.10 of these Bylaws.

Addition of a Past President position which is to be filled by outgoing President if he/she has served as President for a period of four (4) or more years. This position shall be advisory in nature,

Section 4.02. ,Qualifications

Each candidate for office shall be a homeowner and resident for more than one (1) year, 21 years of age, and have all dues and assessments paid in full and current.

No person having a conflict of interest shall be permitted to serve as an officer or director of the Havenwood Homeowners Association.

Conflict of interest shall be defined as including but not limited to the existence of a financial interest in the carrying on of the business of the HHOA, which shall include the existence of an employment relationship with any individual or entity conducting business with the HHOA. Spouses of persons with conflict of interest are also deemed to have conflict of interest.

Section 4.03. Election. Tenure. Removal and Vacancies. The directors shall be elected, by the homeowners at their annual meeting in the spring and, unless sooner removed, shall serve until the expiration of their defined terms or until their successors shall have been duly elected and qualified or until there is a decrease in the number of directors. If a director ceases to be a homeowner during his/her term, he/she shall thereupon cease to be a director and his/her place on the Executive Board shall be deemed vacant. Failure of an officer or director to attend monthly meetings may lead to their dismissal. If an officer or director misses three consecutive unexcused meetings the highest-ranking officer shall call for a vote of dismissal for that officer or director. A vote shall be taken in accordance to Article V Section 5.16. A member of the Executive Board may succeed himself when his/her term has expired. The homeowners may remove a director, with or without cause, in the manner provided by the state statute based upon a two-thirds (2/3) vote of those members present. A director may resign at any time by delivering written notice to the Executive Board or to the secretary of the Association. Any vacancy on the Executive Board may be filled by the affirmative vote of a majority vote of the remaining Executive Board members. The vacancy can only be filled by appointment for the remainder of the existing term.

Section 4.04. Executive Board Powers. The Executive Board shall, have the following powers and duties:

- (a) to remove or replace the officers or directors of HHOA by the vote of two-thirds (2/3) of those directors present;
- (b) to administer the affairs of the HHOA;
- (c) to provide for the operation, care, upkeep, maintenance, and improvement of the park, the out lots, and the gate house (these will be referred to as Common Areas hereafter), of the Havenwood Subdivision and payments as approved.
- (d) to provide for the designation, hiring and removal of personnel, including accountants and attorneys, and to contract for the services of others and to make purchases for the maintenance, repair replacement, administration, management and operation of the HHOA and the Common Areas;
- (e) to appoint subcommittees of the Executive Board and delegate to such subcommittees the Executive Board's authority to carry out certain duties of the Executive Board, with the Executive Board having final approval;

- (f) to prepare, adopt and distribute the annual budget for the HHOA, and to provide the manner of assessing and collecting from the homeowners their respective dues and assessments, as per the Covenants; maintain detailed records of receipts and expenditure affecting the use and operation of the HHOA;
- (g) unless otherwise provided herein or in Covenants, to comply with the instructions of a majority and/or quorum of the homeowners, as expressed in a resolution duly adopted at any annual or special meeting of the homeowners;
- (h) to borrow funds, if necessary and approved by a majority or a quorum of all homeowners, to pay costs of operation or meet its obligations and may use any assets of the HHOA as collateral;
- (i) to enter into contracts and, generally, to have all the powers necessary or incidental to the operation and management of the HHOA;
- (j) to protect or defend the Common Areas from loss or damage by suit or otherwise;
- (k) to adopt and amend rules and regulations covering the details of the operation and use of the Common Areas, after a meeting of homeowners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations and which conforms to the requirements of the Covenants and do not impair any rights guaranteed by Constitution of the United States or the Indiana Constitution and to amend them from time to time, it being understood that, without limiting the generality of the foregoing, the Executive Board may:
 - (1) Regulate the conduct of homeowners and guests in the Common Areas;
 - (2) Prohibit the storage and maintenance of vehicles, boats, cycles and other personal property on the Common or Residential Areas;
 - (3) Enforce reasonable fines for violations of Covenants, Bylaws and Executive Board rules and regulations. The process of enforcement will be as follows:
 - (a) First a written warning
 - (b) Second a written warning by registered mail
 - (c) Third a hearing will be held and reasonable fines will be levied
 - (d) Fourth a mechanics lien will be filed if the fines are not paid
- (l) to impose charges for late payments of a homeowners dues and assessments, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of the Covenants, these Bylaws and the rules and regulations of the HHOA.
- (m) to obtain adequate and appropriate kinds insurance for the Common Areas, and the Officers and Directors;
- (n) to pay real property taxes, special assessments and any other special taxes or charges of the State of Indiana or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the Common Areas;
- (o) to pay all permit, license and other fees or taxes imposed by any competent government authority levied or assessed on, or as a result of ownership of the facilities located on the Common Areas.

Section 4.05. Annual Organizational Meeting. The Executive Board may meet each year immediately after the annual meeting of the HHOA at the place of convenience, for the

purpose of organizing Directors and to conduct any other business that may be brought before the meeting. Such meeting shall be held without notice to the homeowners.

Section 4.06. Regular Meetings. Regular monthly meetings of the Executive Board may be held without notice, at such times and places within the State of Indiana as the Executive Board may from time to time designate. The Executive Board may suspend the meeting if no action is required or pending. The agenda of the meeting shall be as follows:

- (a) Call to Order
- (b) Secretary's Report
- (c) Treasurer's Report
- (d) Committee Reports
- (e) Old Business
- (f) New Business
- (g) Adjournment

If there are any questions *The New Robert's Rules of Order* will prevail.

Section 4.07. Special Meetings. Special meetings of the Executive Board may be held upon the call of the President or two (2) or more members of the Executive Board at any place within the State of Indiana. Notice, specifying the date, time and place of the meeting shall be given to each officer or director either personally or by telephone at least twenty-four (24) hours before the meeting or by mail, telegraph or cable at least forty-eight (48) hours prior to the time of the meeting. Notice is effective when received. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the officer or director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business and does not thereafter vote for or assent to action taken at the meeting. Notice of any meeting may be waived in writing, either before or after meeting, and must be signed by the officer or director entitled to the notice and filed with the minutes of the meeting.

Section 4.08. Quorum. At any meeting of the Executive Board, a majority of the number of directors in office immediately before the meeting begins shall constitute a quorum for the transaction of any business; except, for the purpose of filling vacancies on the Executive Board, a majority of the remaining officers and directors shall constitute a quorum. Except as otherwise provided by the Indiana Business Corporation Law and amended, if a quorum is present when a vote is taken, a majority of such quorum may decide any question properly brought before any meeting. An officer or director who is present at the meeting is deemed to have assented to any action taken unless:

- (a) he/she objects at the beginning of the meeting (or promptly upon his/her arrival) to holding the meeting or transacting business at the meeting,
- (b) his/her dissent or abstention from the action taken as entered in the minutes of the meeting or
- (c) he/she delivers written notice of his/her dissent or abstention to the presiding officer of the meeting before its adjournment or to the Secretary of the Corporation

immediately after adjournment of the meeting. The right of dissent or abstention is not available to an officer or director who votes in favor of the action taken.

Section 4.09. Action by Unanimous Written Consent without a Meeting. Any action which is required or permitted to be taken at a meeting of the Executive Board or of any committee thereof may be taken without a meeting if one or more written consents (describing the action to be taken) is signed by each director or member of said committee, as the case may be. A copy of the consent or consents shall be filed with the minutes of the meetings of the Executive Board. Action taken by such consent is effective when the last officer or director signs the consent unless the consent specifies a different prior or subsequent effective date.

Section 4.10. Simultaneous Communication. Any or all officers or directors may participate in an annual or special meeting of directors by, or through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. Such officer or director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.11. Committees. By resolution, the Executive Board may create one (1) or more committees and appoint one (1) or more members of the Executive Board to serve on them, at the pleasure of the Executive Board, and such committee may exercise the authority of the Executive Board, except otherwise provided in the Indiana Business Corporations Law. The sections of these Bylaws concerning regular and special meetings, action without a meeting, simultaneous communication, and quorum apply to committees and their members as well.

Section 4.12. In the event of any dispute or disagreement between any homeowners/property owners relating to the Common Areas, or any question of interpretation or application of the provisions of the Covenants or these Bylaws, the determination thereof by Executive Board shall be final and binding on each and all of such homeowners/property owners.

Section 4.13. The meetings of the Executive Board shall be open to any homeowner/property owner, except for the portion of any meeting held (for executive sessions):

- (a) to discuss litigation when an action against or on behalf of the particular association has been filed and is pending in court, or when the Executive Board finds that such, an action is probable or imminent,
- (b) to consider information regarding appointment, employment, or dismissal of a contractor, or
- (c) to discuss violations of rules and regulations of the HHOA or a homeowners/property owners unpaid share of the dues and assessments.

The foregoing notwithstanding, any vote on such matters shall be taken at a meeting or portion thereof open to any homeowner. Any information discussed during executive session is confidential information and shall not be discussed outside the said meeting.

ARTICLE V

Officers

Section 5.01. Principal Officers. The officers shall consist of a minimum of three (3), A President, VP/ Secretary, and VP/ Treasurer, or a maximum of four (4), a President, Vice President, Secretary and Treasurer. In addition, there shall be up to seven (7) Directors at Large. The number of officers and directors shall be determined by this Executive Board.

The position of Past President shall be created for outgoing Presidents. This position shall be of an advisory position, and the responsibilities shall end with the election of a new President.

Section 5.02. Qualifications. An officer of HHOA must be a current resident homeowner/property owner of Havenwood and be current on all HHOA dues and assessments. Any two (2) or more offices may not be held by the same persons or be from the same household.

Section 5.03. Election, Tenure, and Removal and Resignation. of

The principal officers and directors shall be elected by the HHOA at their annual meeting. The election will be the last order of business on the agenda for this meeting, with all the necessary business being conducted with the current Executive Board members.

The new members for the Executive Board will take office at the adjournment of the annual meeting. The terms of office shall be as follow; President-four (4) years, Vice President (if any)-one (1) year, Secretary (VP)-three (3) years, Treasurer (VP) three (3) years. The directors shall be elected for the following terms; Three (3) directors for one (1) year, two (2) directors for two (2) years, two (2) directors for three (3) years.

Any officer or director may resign at anytime by submitting a notice in writing to the Executive Board, and such resignation shall become effective immediately or at a later specified time as stated on the Letter of Resignation. Vacancies shall be filled by appointment of the Executive Board and the individual(s) appointed shall fill the unexpired portion of the term, or until his/her successor is chosen and qualified, or unless sooner removed as provided by law.

Section 5.04. Nominations. Nominations for officers and directors shall take place at the annual general meeting. Nominations may be made from the floor and the nominee has the right to refuse or accept the nomination. The nominee must be a current resident homeowner/property owner and/or resident spouse of said homeowner/property owner

who is in good standing with the HHOA. The secretary will verify the validity of the nominee and place said person's name on the printed ballot for the annual meeting election. The secretary must provide room on the ballot for write in candidates.

Section 5.05. Election Committee. An election committee will be formed at the annual meeting from the general membership. This committee will distribute and collect ballots and count same and make their findings known to the secretary. The secretary will record in the minutes the results of the election and make known to the general membership present the results of the election.

Section 5.06. President. The President shall have the authority and the duty to manage the affairs of the corporation subject to approval of the Executive Board and shall be its chief executive officer. He/she shall preside at all meetings of the HHOA and directors, and shall be ex-officio member of all committees. Subject to the control and direction of the Executive Board, he/she may enter into any contract or execute and deliver any instrument in the name or on behalf of the Corporation. The President shall discharge all the duties inherent to presiding officer and shall have such other powers and perform such duties as are delegated to him/her by the Executive Board or as prescribed by law or these Bylaws.

Section 5.07. Vice President. The Vice President if appointed or elected shall have the authority and the duty to act in the absence of the president and assist in the management of the affairs of the corporation subject to approval of the Executive Board. The Vice President shall discharge all the duties inherent to assistant presiding officer and shall have such other powers and perform such duties as are delegated to him/her by the Executive Board or as prescribed by law or these Bylaws.

Section 5.08. The Secretary. The VP/Secretary (if no VP) shall keep or cause to be kept in the books provided for that purpose the minutes of the directors' and homeowners'/property owners' meetings and shall perform a like duty for all committees appointed by the Executive Board when required he/she shall have the custody and care of the minutes, records and seal of the Corporation. He/she shall attend to the giving and serving of all notices of the HHOA, and in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him/her by the President or that the Executive Board may prescribe. The Secretary shall also be the duly authorized registered agent for the HHOA. The Secretary shall obtain and maintain a post office box at the Cedar Lake Post Office. The Secretary shall be the registered agent of the corporation.

Section 5.09. The Treasurer. The VP/Treasurer(if no VP) shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. He/she shall deposit all funds of the HHOA coming into his/her hands in a depository to be designated by the Executive Board, and shall keep such bank account in the name of the HHOA, and, in general, shall perform all duties incident to the office of

Treasurer and such other duties as may be assigned to him by the President or that the Executive Board may prescribe.

Section 5.10. Additional Officers. Additional officers may be elected if the HHOA sees fit to elect them.

Section 5.11. Other Executive Board. All directors shall have such powers and perform such duties as are delegated to them by the HHOA officer(s) authorized to prescribe the duties of the directors. These other members of the Executive Board shall serve as a chairperson of the various standing committees. These committees include Bylaws, Buildings/Maintenance, Social/Newsletter, Security, Parks/Common Areas, and Appearance and other committees as deemed necessary.

Section 5.12. Compensation. All of the principal officers and directors shall serve with no compensation.

Section 5.13. Delegation of Authority. In the case of the absence or incapacity of any officer, or for any other reason that the Executive Board may deem sufficient, the Executive Board may delegate any or all of the duties or powers of such officer to any other officer or to any director.

Section 5.14. Bonding. The treasurer of the HHOA shall be bonded in a dollar amount decided upon by the HHOA, but not less than the amount handled annually by the treasurer.

Section 5.15. Indemnification. All officers and directors of HHOA shall be indemnified for any actions and or errors or omissions that may occur as a result of their position. HHOA shall provide for the necessary professional liability.

Section 5.16. Removal of Officers. The Executive Board may remove any officer, for just cause, at any time, by a two-thirds (2/3) vote of those directors present or by a two-thirds (2/3) vote of those homeowners/property owners present. A special meeting may be called for this purpose, if necessary, in accordance to Article IV Section 4.07 above.

Section 5.17. Succession. In the case that one of the officers resigns or is unable to perform his/her duties, the following order of succession will occur:

- (a) President
- (b) Vice President
- (c) Secretary
- (d) Treasurer
- (e) Director selected by the majority of other directors

This appointment will be valid until the next annual election occurs.

ARTICLE VI

Assessments

Section 6.01. The Executive Board shall cause to be prepared an estimated annual budget for each calendar year of the HHOA. Such budget shall take into account the estimated common expenses and cash requirements for the year, including taxes legal and accounting fees, supplies, materials, parts, services, maintenance, landscaping, insurance, utilities, and real estate taxes and all other common expenses. The annual budget shall provide for a reserve for contingencies for the year, in reasonable amounts as determined by the Executive Board. To the extent that the dues and other assessments collected from the homeowners/property owners during the preceding year, the surplus or deficit, as the case may be, shall also be taken account.

Section 6.02. Each homeowner shall pay their dues and assessments, yearly, as prescribed by the Covenants.

Section 6.03. The Executive Board shall annually supply all homeowners an itemized accounting of the common expenses for the preceding year actually incurred and paid, together with an indication of which portions were for capital expenditures, if any, or repairs or the payment of property taxes or any other expenditures that occurred, and with a tabulation of the amounts collected pursuant to the budget or dues and assessments, and showing the net excess or deficit of income over expenditures plus reserves.

Section 6.04. In the event that during the course of any year, it shall appear to the Executive Board that the yearly dues and assessments, determined in accordance with the Covenants and the estimated annual budget for such year, is insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Executive Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each homeowner, and thereupon a supplemental assessment shall be made to each homeowner for his/her proportionate share of such supplemental budget.

Section 6.05. The Executive Board shall not approve any single capital expenditure in excess of ten thousand dollars (\$10,000) unless required for emergency repair, protection or operation of the Common Areas, nor shall the Executive Board enter into any contracts for more than three (3) years without the prior approval of two-thirds (2/3) of the those homeowners/property owners present.

Section 6.06. It shall be the duty of every homeowner to pay his/her proportionate share of the dues and assessments. If the homeowner shall fail to pay the dues and

assessments when due, the amount thereof shall constitute a lien on the interest of homeowner in his/her property, as per the Covenants. The Executive Board and the HHOA shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Covenants, or these Bylaws, or such rights and remedies as otherwise available at law or in equity, for the collection of all unpaid dues and assessments.

Section 6.07. The Executive Board shall cause detailed and accurate records to be maintained in chronological order, with respect to receipts and expenditures affecting the Common Areas specifying and itemizing the common expenses incurred. Such payment vouchers may be approved in such manner as the Executive Board may determine. All records and vouchers authorizing the payments shall be available for examination by the homeowners/property owners.

The Executive Board shall, upon receipt of ten (10) days' notice to it or the HHOA and upon payment of a reasonable fee, furnish to any homeowner a statement of his/her account setting forth the amount of any unpaid dues or assessments or other charges due owing from such owner.

Section 6.08. Each homeowner by acceptance of a deed therefore whether or not it shall be so expressed in any such deed or covenants, agrees, to pay to the HHOA such dues and assessments as are levied pursuant to the provisions of the Covenants and these Bylaws. Such dues and assessments together with interest thereon and cost of collection, if any, as hereinafter provided, shall be a charge and continuing lien upon the property against which such dues or assessment or is made. Each such assessment, and charge, together with interest and costs, shall also be the personal obligation of the homeowner of the property at the time when the assessment fell due.

Section 6.09. The dues and/or assessments levied by the HHOA shall be used for the purpose of promoting the recreation, health, safety, and welfare of the members of the HHOA and in particular:

- (a) for the improvement, maintenance of the services and facilities related to the use and enjoyment of the Common Areas, including reasonable reserves;
- (b) for the payment of taxes and insurance on and making repairs, replacements, and additions to the Common Areas;
- (c) in general for carrying out the duties of the Executive Board as set forth in the Covenants and these Bylaws and for carrying out the purposes of the HHOA as stated therein and herein.

Section 6.10. Assessments shall consist of:

- (a) general dues and assessments levied yearly, or at such other intervals as Executive Board may deem appropriate in such amounts as the Executive Board deems necessary, within the limits of the Covenants and stated herein, in its judgment to cover all estimated costs and expenses of the HHOA of any operating nature;

- (b) special assessments which may be levied only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement, landscaping, snow removal, or a capitol improvement upon the Common Areas, and
- (c) fines which may be levied against a homeowner as a fine for violations of the Covenants, the Bylaws or the HOAA rules and regulations.

Section 6.11. The Executive Board shall establish and maintain reasonable reserves for contingencies. Extraordinary expenditures not originally included in the general dues and assessments, which may become necessary during the year, shall charged first against such reserve. If said general dues and assessments prove inadequate for any reason, including non-payment of homeowner's dues and assessments, the Executive Board may at any time levy a further assessment.

Section 6.12. No special funding assessment, above the amount of one hundred dollars (\$100), may be levied by the Executive Board unless such assessment is approved by a vote of two-thirds (2/3) of those homeowners/property owners present which shall bear such special assessment.

Section 6.13. All special assessments shall be effective on the date and for the period fixed by the Executive Board, and shall be payable monthly or yearly. The due date or dates, if it is to be paid in installments, of a special assessment shall be fixed in the resolution authorizing such assessment. Written notice of each special assessment shall be delivered or mailed to every homeowner subject thereto not less than ten (10) days prior to the effective or due date thereof.

Section 6.14. The Executive Board may establish, and each homeowner shall pay, user charges to defray the expense of providing services, or benefits, which may or may not be used equally proportionately is by all of the members or which, in the judgment of the Executive Board, should not be charged to every homeowner. Such expenses may include, without limitation, charges predicated on the negligence of any homeowner or the abuse of any part of the Common Areas and fees for such other services provided to homeowners which should not reasonably be allocated among all of the members in the same manner as dues or assessments. Such user charges may be billed separately as each homeowner benefits thereby, or may be added to such member's dues or assessment as otherwise determined, and collected as part thereof pursuant to the Covenants.

Section 6.15. The lien of the dues or assessments provided for herein shall be subordinate to the lien of any first (1st) mortgage. Sale of any property shall not affect the lien for dues or assessments. No sale shall relieve such property from liability for any dues or assessments thereafter becoming due from the lien thereof other than as provided herein. The process of enforcement will be as follows:

- (a) First, an invoice will be sent out

- (b) Second, a second invoice will be sent out
- (c) Third, a written warning
- (d) Fourth, a written warning by registered mail
- (e) Fifth, a mechanics lien will be filed
- (f) If payment of the outstanding balance of dues and assessments is paid by the delinquent homeowner subsequent to the filing of a mechanic's lien but prior to any court hearing in the matter, a fifty-dollar (\$50) fee will be assessed.

Section 6.16. Dues and assessments, and all installments thereof, not paid on or before thirty (30) days after the date when due shall bear interest at the rate of eighteen (18) % per annum or 2 points above the prime rate, whichever is higher, from the date when due until paid. All payments account shall be credited first to interest due and then to dues or assessment or charge. The HHOA shall have no authority forgive the payment of assessment by any homeowners.

Section 6.17. In the event that an adopted budget requires assessment against the homeowners in any fiscal year or calendar year exceed five hundred percent (500%) of the dues and assessments for the preceding year, the Executive Board upon written petition by homeowners with twenty percent (20%) or more of the votes of HHOA filed within fourteen (14) days of Executive Board action shall call a meeting of homeowners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the homeowners are cast at the meeting to reject the budget, it is ratified, whether or not quorum is present. In determining whether dues and assessments exceed five hundred percent (500%) of similar assessments prior years, any authorized provisions for reasonable reserves for repair or replacement of property, anticipated expenses by the HHOA which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

Section 6.18. Any non-recurring common expense, any common expense not set forth in the adopted budget and any assessment over the amount set forth in the adopted budget shall be separately assessed against all homeowners/property owners, it being understood and agreed that any such separate assessment shall be subject to approval by a quorum at a meeting called pursuant to Article VI Section 6.17 and in accordance with Article VI Section 6.17 above.

ARTICLE VII

Amendments

Section 7.01. These Bylaws may be amended or modified from time to time by action or approval of two-thirds (2/3) of those homeowners/property owners present. Such amendments shall be recorded in the Office of the Recorder of Deeds, Lake County Indiana.

ARTICLE VIII

Notice of Meetings

Section 8.01. Written notice of each meeting of the homeowners stating the place, day, and hour of such meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary to each homeowner/property owner of record entitled to vote at his/her address of record no fewer than ten (10) days nor more than thirty (30) days before the date of the meeting. Notice of any such meeting may be waived in writing by any homeowner before or after the date and time stated in the notice and such waiver shall be included with the minutes. Attendance at any meeting, in person or by proxy, shall constitute a waiver of notice of such meeting unless the homeowner/property owner objects to holding the meeting or transacting business at the beginning of the meeting, and shall constitute a waiver of objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the notice unless the homeowner objects to consideration of the matter when it is presented. Notice of any adjourned meeting of homeowners shall not be required to be given if the time and place thereof are announced at the meeting at which the adjournment is taken, except as may be expressly required by law. The address of any homeowner appearing on the records of the HHOA shall be deemed to be the latest address of such homeowner appearing in the records maintained by the transfer agent for the property held by such homeowner.

Section 8.02. Special meetings of the homeowners may be called by the President, the Executive Board, or by written demand delivered to the secretary from homeowners holding a total of not less than twenty-five percent (25%) of all the property owners. Notice shall be given to each member no less than ten (10) or more than thirty (30) days prior to a special meeting stating the purpose of such meeting. Such notices shall be given in writing, by mail to the place designated by the member of the HHOA. All notices hereunder shall indicate the time, place and purpose of such meeting. Matters to be submitted at special meetings of the member shall first (1 st) be submitted to the Executive Board, at least ten (10) days prior to the special meeting, which shall then submit the matters to the members.

Section 8.03. Each member of the HHOA shall receive notice, in the same manner as is provided in Section 8.01 of this Article VIII for membership meetings, or any meeting of the Executive Board concerning the adoption of the proposed annual budget or any increase thereof or the establishment of, any assessment.

Section 8.04. To the extent provided by law the meeting of Executive Board shall be open to all members of the HHOA.

ARTICLE IX

Miscellaneous

Section 9.01. No merger or consolidation of the HHOA; sale, lease, exchange, mortgage, pledge or disposition of all, or substantially all of the property and assets of the HHOA or purchase or sale of land on behalf of all homeowners shall be effectuated unless there is an affirmative vote of two-thirds (2/3) of the those homeowners present.

Section 9.02. The provisions of the Covenants these Bylaws, and other rules and regulations, which relate to the subdivision shall be applicable to any person living within the subdivision.

Section 9.03. The Executive Board shall maintain the following records of HHOA available for examination and copying at convenient hours by the homeowners or their duly authorized agents or attorneys:

- (a) Copies of the recorded Covenants, Bylaws, and any amendments, Articles Incorporation of the HHOA, annual reports and rules and regulations adopted by the HHOA or Executive Board.
- (b) Detailed accurate records in chronological order of the receipts and expenditures affecting the subdivision, specifying and itemizing expenses of the subdivision and any other expenses incurred, and copies of all contracts, other agreements entered into by the HHOA.
- (c) The minutes of all meetings of the HHOA and Executive Board. The HHOA shall maintain minutes for a period of not less than seven (7) years.
- (d) Ballots for all elections to the Executive Board and for any other matters voted on by the homeowners. The HHOA shall maintain such ballots for a period of not less than one (1) year.
- (e) Such other records of the HHOA as are available for inspection by members of a not-for-profit corporation pursuant to the requirements of the State of Indiana.

Section 9.04. The HHOA or the Executive Board may charge a reasonable fee for copying of any documents.

Section 9.05. The Executive Board shall require that all officers, or other persons who either handle or are responsible for funds held or administered by the HHOA furnish fiduciary insurance coverage which covers the maximum amount of funds that will be in the custody of the HHOA plus the reserve fund of the HHOA, the premium cost of which shall be paid by the HHOA. For purposes of the foregoing, the term "fiduciary insurance coverage" shall be deemed to mean both a fidelity bond and directors and officers liability coverage, it being understood and agreed that the fidelity bond shall be in the full amount of HHOA funds and HHOA reserves which will be in the custody of the HHOA and the

directors and officers liability coverage shall be of a level determined to be reasonable by the Executive Board, if not otherwise established by the Covenants or by these Bylaws.

Section 9.06. Any form of rental units, not excluding leasing and subletting, etc., shall not be permitted within the subdivision. The home is to be occupied by the owner. These are not multifamily homes, no renters or boarders.

Section 9.07. Homeowners that are selling their homes are responsible for the upkeep of the property until the sale is final. They are also still responsible for all dues and assessments and assessments up until the time that the sale is finalized. In addition, they are responsible to inform the new resident about the Covenants, the Bylaws, and who to contact for further information.

Section 9.08. In the event of a vacant home the HHOA has the authority to intervene and keep up the appearance of the property at the owner's expense.

Section 9.09. The speed limit on subdivision roadways shall be 20 MPH as designated by the Town of Cedar Lake Ordinances. The enforcement of this and all other traffic laws shall be under the jurisdiction of the Cedar Lake Police Department by contract with the HHOA.

Section 9.10. There shall be no parking on any street within the subdivision after a snowfall of two inches (2") or more.

Section 9.11. The park is open for usage by all residents and guests thereof, but any group larger than ten (10) people must submit a written request to the Executive Board for approval before usage. The park shall be open from dawn to dusk, Any person there after hours will be held criminally liable for their actions. Special permission may be obtained in writing by the Executive Board for extended hours. Use of the park shelter must be obtained by a written request to the HHOA stating the purpose or intended use.

Use is only for residents and their guests and will be assigned on a first come basis. There will be a \$50.00 deposit required with the request. If the shelter is cleaned properly, the fee will be refunded. However, if based on the Shelter Committee's after use inspection and the results are not acceptable, then the deposit will NOT be refunded and the Shelter Committee will hire someone to clean up the area.

It is requested that those requesting use of the shelter, submit a liability insurance rider (check your Homeowner Insurance Company) relieving the HHOA from any and all liabilities.

Section 9.12. Any vehicles or trailers that are parked anywhere on the Common Areas will be towed and stored at the owners expense. Any violation of Item 12 of the Restrictive Covenants referencing parking of large trucks, campers, motor homes, trailers, etc, in any place other than in the residents garage, for more than seven (7) days, will be assessed a

\$75.00/ day fine until item has been removed from the property. Failure to pay such fine will result in a Lien being filed against the property, as recommended by HHOA legal counsel.

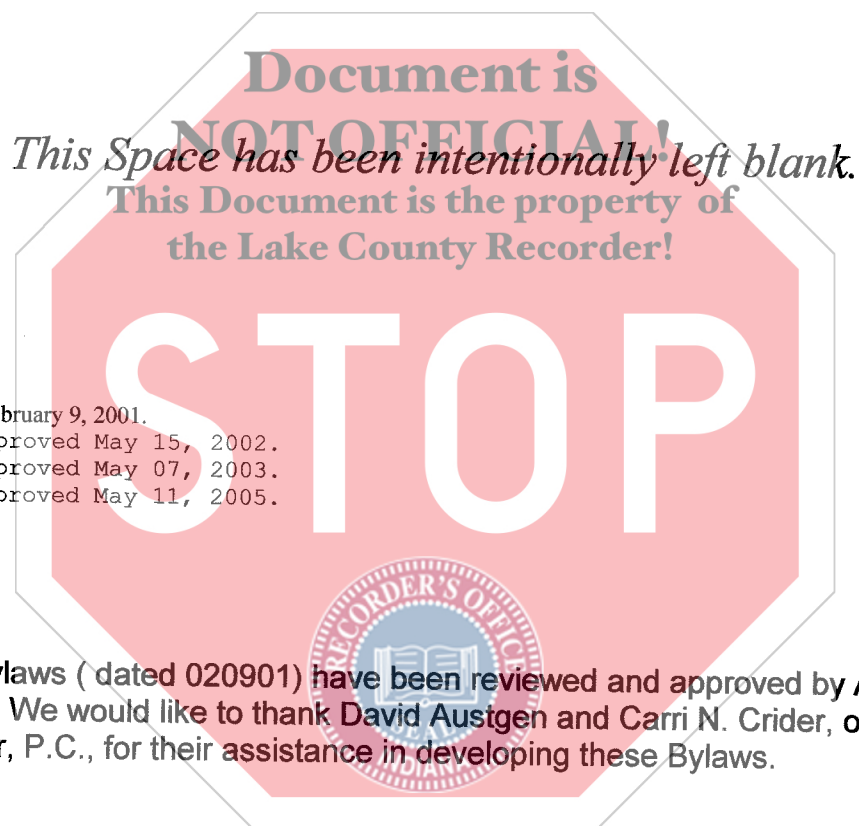
Section 9.13 Homeowners are responsible for the upkeep of their property. In the event that a homeowner does not maintain their property, the HHOA shall have the authority to intervene and keep up the appearance of the property at the homeowner's expense.

Section 9-14 Swimming, boating and watercrafts.

o boats, other types of watercrafts or floatation (including docks) type items are allowed on any of the lakes or waterways in the Havenwood Subdivision. In addition swimming is NOT allowed in any lakes or waterways.

NO person(s) shall have cause to remove or divert water from any of the lakes or waterways for ANY purpose. Violators will be reported to the appropriate State and/ or Federal Agencies.

THE END



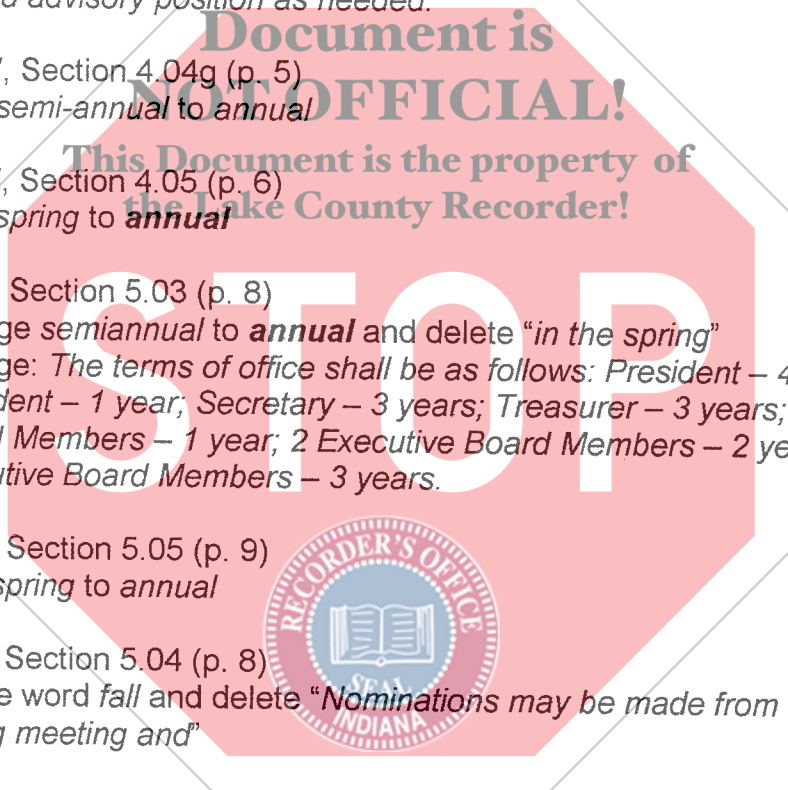
Original approval- February 9, 2001.
Revision 1, approved May 15, 2002.
Revision 2, approved May 07, 2003.
Revision 3, approved May 11, 2005.

The original Bylaws (dated 020901) have been reviewed and approved by Austgen, Reed & Decker, P.C. We would like to thank David Austgen and Carri N. Crider, of Austgen, Reed & Decker, P.C., for their assistance in developing these Bylaws.

HAVENWOOD HOMEOWNERS ASSOCIATION, INC.

Changes to Bylaws Approved at the May 15, 2002 Homeowners Spring Meeting. Effective Immediately.

1. Article III, Section 3.03 (p. 2)
Change *semiannual* to **annual** and delete "one in the spring and one in the fall"
2. Article IV, Section 4.03 (p. 4)
 - a. Change *semiannual* to **annual** and delete "in the spring"
 - b. After "failure of an officer or director to attend monthly meetings may lead to dismissal." ***If an officer or director misses three consecutive unexcused meetings the highest-ranking officer shall call for a vote of dismissal for that officer or director. A vote will be taken in accordance to Article V Section 5.16.***
 - c. Add at end of 5.03: *For continuity purposes retiring officers will serve in an unpaid advisory position as needed.*
3. Article IV, Section 4.04g (p. 5)
Change *semi-annual* to **annual**
4. Article IV, Section 4.05 (p. 6)
Change *spring* to **annual**
5. Article V, Section 5.03 (p. 8)
 - a. Change *semiannual* to **annual** and delete "in the spring"
 - b. Change: *The terms of office shall be as follows: President – 4 years; Vice President – 1 year; Secretary – 3 years; Treasurer – 3 years; 3 Executive Board Members – 1 year; 2 Executive Board Members – 2 years; 2 Executive Board Members – 3 years.*
6. Article V, Section 5.05 (p. 9)
Change *spring* to **annual**
7. Article V, Section 5.04 (p. 8)
Delete the word *fall* and delete "Nominations may be made from the floor at the spring meeting and"
8. Article VI, Section 6.03 (p. 11)
Change *semi-annually* to **annually**

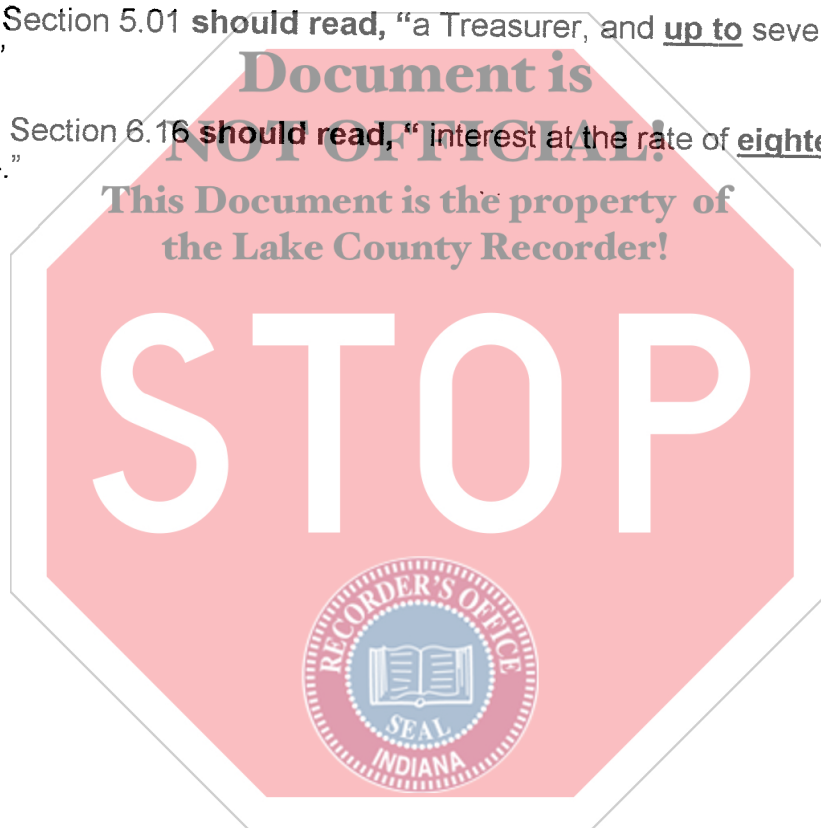


9. Article IX, Section 9.11 (p. 17)
Add the following: ***The park shall be open from dawn until dusk. Any person there after hours will be held criminally liable for their actions. Special permission may be obtained by the Executive Board for extended hours.***
10. Article IX, Section 9.13 {new section} (p. 18)
Homeowners/property owners are responsible for the upkeep of their property. In the event that a homeowner/property owner does not maintain their property, the HHOA shall have the authority to intervene and keep up the appearance of the property at the homeowner's expense.

Typo corrections to be made to the Bylaws.

Article V, Section 5.01 should read, "a Treasurer, and up to seven (7) directors."

Article VI, Section 6.16 should read, "Interest at the rate of eighteen (18) % per annum----."



HAVENWOOD HOMEOWNERS ASSOCIATION, INC.

Proposed changes to the HHOA Bylaws

Presented May 7, 2003, Annual Meeting.

Approved by all Homeowners present. These changes becomes effective **IMMEDIATELY!**

Article I, Section 1.02 Principle Office, page 1.

Add after the Secretary will, “**notify the Executive Board and**” will make requested information available....

Article III, Section 3.03, page 2.

Delete the words “**one in the spring, and one in the fall**”
Also, replace the words “in each case fix”, with
“**arrange**”.

Article III, Section 3.04, page 2.

Change the word after “agreement signed by” “**the**”.

Article IV, Section 4.01 Number, page 3.

This section shall be revised to read as follow; “**The number of officers shall be a minimum of three (3), President, Vice President/Secretary, and Vice President/Treasurer, or a maximum of four (4) officers, there shall be a President, Vice President, Secretary, and Treasurer. The directors shall have a maximum of seven (7) members, which may change from time to time, but may not shorten an incumbent director’s term. This is the Executive Board which may see fit to elect additional members pursuant of Article V Section 5.10 of these bylaws.**”

Article IV, Section 4.02 Qualifications, page 4.

This section shall be replaced with, **“Each candidate for office shall be a homeowner and resident for more than one (1) year, 21 or more years of age and have all dues and assessments paid in full and current.”**

Also add the changed wording after, “to serve as an officer or director, **of the Havenwood Homeowners Association.**”

Article IV, section 4.03, page 4.

Change wording after to read, “vote of the remaining **Executive Board members.**”

Article IV Section 4.04 Item (c), page 4.

Change to read, “Havenwood Subdivision and payments **as approved.**”

Article IV Section 4.04 Item (d), page 5; add word, “and to contract for services of others...”

Article IV Section 4.04 Item (k.3), page 5.

Add words after “fines for violations of **Covenants, Bylaws and...**”

Article IV Section 4.04 Item (l), page 5.

End of sentence should read “Covenants, these Bylaws, and the rules **and** regulations of the HHOA.

Article IV Section 4.04 Item (m), page 5.

Add after “ for the Common Areas, **and the Officers and Directors;**”

Article IV Section 4.05, page 6.

Change wording to read “ for the purpose of organizing **the directors and to conduct** any other business...”

Article IV Section 4.07, page 6.

Add the words “ **the officer(s) or,**” before the word director(s).

Article IV Section 4.08, pages 6 and 7.

Add the words “**the officers and,**” before the word directors....

Also, add the word “**the officer or**”, in the last sentence of the paragraph.

In Item (c) add the words “ **a officer or director** who votes...”

Article IV Section 4.09, page 7.

Add the words “**officer or**” before “ director or member of said....”, and before “director signs the consent unless....”

Article IV Section 4.10, page 7.

Add the words “**officer(s) or**” before the word director(s)....”

Article V Section 5.01, Principal Officers, page 8.

This section is replaced with the following,

“The officers shall consist of a minimum of three (3), a President, VP/Secretary and VP/Treasurer, or a maximum of four (4), A President, Vice President, Secretary and Treasurer. In addition, there shall be up to seven (7) Directors at Large. The number of officers and directors shall be determined by this Executive Board.”

Article V Section 5.03 Election, Tenure, and Removal and Resignation, page 8.

The section is replaced with the following; **“The principal officers and directors shall be elected by the HHOA at their annual meeting. The election will be the last order of business on the agenda for this meeting, with all necessary business being conducted with the current Executive Board members.**

The new members of the Executive Board will take office at the adjournment of the annual meeting.

The terms of office shall be as follows; President-4 years; Vice President (if any) – one year; Secretary (VP) –3 years; Treasurer (VP) –3 years. The Directors shall be elected for the following terms; 3- Directors for 1 year; 2-Directors for 2 years; 2-Directors for 3 years. Any Officer or Director may resign at anytime by submitting a notice in writing to the Executive Board and such resignation shall become effective immediately or at a later specified time as stated in the Letter of Resignation. Vacancies shall be filled by appointment of

the Executive Board and the individual(s) appointed shall fill the unexpired portion of the term, or until his/her successor is chosen and qualified, or unless sooner removed as provided by law.”

Article V Section 5.04, page 8.

Replace the words “Executive Board” with the word “**Directors**”.

Article V Section 5.07, page 9.

Add after “The Vice president (if appointed or elected)...”

Article V Section 5.08, page 9.

Add after “The VP/ Secretary (if no VP)...”

Article V Section 5.09, page 9.

Add after “the VP/Treasurer (if no VP)...”

Article V Section 5.11, page 10.

Change the first to sentence read “ **All Directors** shall have such powers and perform such duties as are delegated to them by the HHOA officer(s) authorized to prescribe the duties of **Directors**. **These** other members of the.”

Article VIII Section 9.12, page 18.

Add statement,

“Any violation of Item 12 of the Restrictive Covenants referencing parking of large trucks, campers, motor

homes, trailers, etc, in any place other than in the residents garage, for more that seven (7) days, will be assessed a \$75.00/ day fine until the item has been removed. Failure to pay such fine will result in a Lien being filed as recommended by HHOA legal counsel.



May 8, 2003

Dear Resident,

While updating the Bylaws with the corrections and additions approved on Wednesday, May 7, 2003, I came across another correction that needs to be made to the approved list of May 7, 2003.

This correction is in several Articles in the Bylaws. The words are, makes reference to property owners, as in "Each homeowner/ property owner shall have one vote."

The reason is the words "property owner(s)". Property owner infers, that the homes could be owned by someone else as in rental property. Havenwood is a privately owned subdivision with NO rentals.



PROPOSED CHANGES TO THE HAVENWOOD HOMEOWNERS ASSOCIATION, INC. BYLAWS SUBMITTED AT THE May 11, 2005 ANNUAL HOMEOWNERS MEETING. (If approved this will be revision 3).

ARTICLE IV, Section 4.01 Numbers.

ADD new sentence at end of paragraph.

“Addition of a Past President position which is to be filled by an outgoing President if he/she has served as President for a period of four (4) or more years. This position shall be advisory in nature.”

ARTICLE V, Section 5.01 Principal Officers.

ADD new sentence at end of paragraph.

“The position of Past President shall be created for outgoing Presidents. This position shall be of an advisory position, and the responsibilities shall end with the election of a new President.”

ARTICLE IX, Miscellaneous, Section 9.09.

Delete and replace with the following:

“The speed limit on subdivisions roadways shall be 20 MPH as designated by the Town of Cedar Lake Ordinances. The enforcement of this and all other traffic laws shall be shall be under the jurisdiction of the Cedar Lake Police Department by contract with the HHOA.”

ARTICLE IX MISCELLANEOUS.

Add new Section 9.11 (a) The Park Shelter.

“Use of the park shelter must be obtained by a written request to the HHOA stating the purpose or intended use. Use is only for residents and their guests and will be assigned on a first come basis. There will be a \$50.00 deposit required with the request. If the shelter is cleaned properly, the fee will be refunded. However, if based on the shelter committee’s after use inspection and the results are not acceptable, then

the deposit will NOT be refunded and the Shelter Committee will hire someone to clean up the area.

It is requested that those requesting use of the shelter, submit a liability insurance rider (check your Homeowner's Insurance Company) relieving the HHOA from any and all liabilities.

Any damage to the shelter or adjacent property will be the responsibility of the resident who requested use of the shelter. An onsite inspection prior to the use of shelter with a Shelter Committee member should be conducted on the day of the proposed use."

Add new Section 9.14 Swimming, boating and watercrafts.

"No boats, other type of watercrafts or floatation (including docks) type items are allowed on any of the lakes or waterways in the Havenwood Subdivision. In addition, swimming is NOT allowed in any lakes or waterways."

NO person(s) shall have cause to remove or divert water from any of the lakes or water ways for ANY purpose. Violators will be reported to the appropriate State and/ or Federal Agencies.

