

BY-LAWS OF
COVERED BRIDGE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1

OFFICES

The Principal office of the Covered Bridge Homeowners' Association, Inc. ("Association") shall be located in Covered Bridge Subdivision, County of Clark County, State of Indiana and shall have an address of 12701 Covered Bridge Road.

ARTICLE 2

MEMBERS

Section 2.1 Members. Every owner of a lot in each section of Covered Bridge Subdivision shall be a member ("Member") of the Association set forth in the Restrictions and Protective Covenants for Covered Bridge Subdivision as recorded in the records of the Recorder of Clark County, Indiana. All members of the Covered Bridge Homeowners' Association prior to the incorporation of the Association shall be Members by virtue of their ownership of a lot within the subdivision. Membership shall automatically terminate upon the transfer of title by any lot owner.

Section 2.2 Voting Rights. Each Member in good standing (owing no dues) shall be entitled to one Vote on each matter submitted to a vote of the Members, except that each lot shall be entitled to only one vote, regardless of multiple ownership.

Section 2.3 Transfer of Membership. Membership in this Association cannot be severed from ownership in a lot(s) in the Subdivision and is not transferable or assignable except to a subsequent purchaser of a lot in Covered Bridge Subdivision.

ARTICLE 3

MEETINGS OF MEMBERS

Section 3.1 Annual Meeting. An annual meetings of the Members shall he held at the club house of Covered Bridge Golf Club or a duly designated site on the ¹third Tuesday in the month of January following the financial accounting close of the previous year, beginning with the year 2022, at 7:00 p.m. local time or at a time otherwise mutually agreed upon, for purpose of electing directors, as may be appropriate, and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of

Indiana

¹The By-laws were revised by a unanimous vote of the Board of Directors at the Board meeting held September 21, 2009. The By-laws previously stated that the Annual Meeting was to take place on the second Tuesday of December in each year. The original date did not allow for the final financial accounting close of the year to be presented at the Annual Meeting of the Members.

Indiana, such meeting shall be held on the next succeeding business day, If the election of the directors is not held on the day designated herein at any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as is convenient.

Section 3.2 Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors, or not less than one fifth (1/5) of the Members having voting rights at a place designated by the Board of Directors. If no designation is made, the place of the meeting shall be the Covered Bridge Club House, but if all of the Members shall meet at any time and place, either within or without the State of Indiana and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 3.3 Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered either personally, or by mail, or by electronic transmission (i.e. e-mail or facsimile transmission) to each Member entitled to vote at such meeting, not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his/her address as it appears on the records of the Association, with postage thereon prepaid. The secretary shall keep a record of all Members and the notices sent and the manner in which the same were sent, including the address (email or fax numbers) calling any meeting.

Section 3.4 Informal Action by Members. Any action required by law to be taken at a meeting of the Members, or any action that may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Members entitled to vote, with respect to the subject matter thereof.

Section 3.5 Quorum. Members holding fifty percent (50%) of the votes entitled to be cast on a matter at any meeting shall constitute a quorum. However, if a matter to be voted on is not described in the meeting notice, one half (1/2) or more of the votes entitled to be cast are required to constitute a quorum. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice. A majority means a simple plurality of the Members present at the meeting.

Section 3.6 Proxies. At any meeting of Members, a member entitled to vote may vote by proxy executed in writing by the Member or by his/her duly authorized attorney in fact. No proxy shall be valid after three (3) months from the date of its execution, unless otherwise provided in the proxy.

Section 3.7 Voting by Mail. Where Directors or Officers are to be elected by members, or any class or classes of Members, such election may be conducted by mail in such a manner as

the Board of Directors may determine.

Section 3.8 Voting Rights. The voting rights of the Members shall be as prescribed in the Article 2, Section 2.2. In any election of Directors, no Member shall have the right to multiply the number of votes to which such Member may be entitled by the number of Directors to be elected. A majority of the votes cast at a meeting of the Members, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter that may properly come before the meeting unless more than a majority of votes cast is required by law, the Restrictions and Protective Covenants, the Articles or these By-Laws.

Section 3.9 Multiple Owners. Where the Owner of a Lot constitutes more than one person, or is a partnership, trust or entity there shall be only one voting representative entitled to cast the vote allocated to that Lot. Those persons constituting such Owners or the partners shall determine among themselves who shall be the voting representative for such Lot in the event agreement is not reached the vote attributable to such lot shall not be cast. No vote of multiple owners may be split.

Section 3.10 Meeting by Telephone or other Electronic Means. Any or all of the Members may participate in a meeting by or through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 General Powers. The affairs of the Association shall be managed by its Board of Directors. Each Director shall be a resident and homeowner in Covered Bridge Subdivision.

Section 4.2 Election. As the initial Board of Directors' terms expire, subsequent Directors shall be elected at the annual meeting provided in Section 3.1. The Board may, by resolution, establish such election procedures as it deems appropriate. Voting for the Board of Directors shall be by secret written ballot. The ballot shall be prepared by the Elections Committee and shall contain the name of each person nominated for election. Those persons receiving the highest number of votes shall be elected.

Section 4.3 Number, Tenure, and Qualifications. The number of Directors may be a maximum of eleven (11). A minimum of one (1) Director shall serve from each of the four (4) sections of Covered Bridge Subdivision. Those four (4) sections of the Development shall be described as the "Estate Section", "Town Homes Section", "Covered Bridge Front" (being that portion of the Development from Perry Crossing Road up to the Clubhouse) and "Covered Bridge Back" (that portion of the Development after the Clubhouse and extending back to the end of the Development). Each Director shall hold office for a term of three (3) years or until

his/her successor shall have been elected and qualified. The term of each existing Director shall be that term for which he or she was elected.

Section 4.4 Regular Meetings. A regular meeting of the Board of Directors shall be held without any other notice than this By-Law immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other Notice than such resolution. Additional regular meetings shall be held at the Covered Bridge Clubhouse in the absence of any designation in the resolution,

Section 4.5 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the chairman or the president. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Indiana, as the place for holding any special meeting of the Board of Directors called by them.

Section 4.6 Notice. Notice of any special meeting shall be given at least two days prior thereto by written notices delivered personally, mailed to each director at his or her home address or sent by electronic means to such Director. Such notice shall be deemed to be delivered when sent as provided herein. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 4.7 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the Directors are present at any meeting, no motions may be made or actions voted upon.

Section 4.8 Voting. The act of a majority of the directors present at a duly organized meeting at which a quorum is present shall be the act of the Board of Directors. Any director may authorize another director to cast his vote upon specific matters at a meeting of the Board of Directors. Authorization must be written, name the director authorized to vote, state the date of the meeting and the subject matter for which authorization is given, and contain the signature of the authorizing director. Votes of directors absent from meetings may be counted only if the director who is authorized to vote for the absent person is physically present at the meeting in which the vote is taken.

Section 4.9 Vacancies. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, but in no case exceeding eleven (11), shall be filled by nomination and appointment by the Board of Directors. Directors appointed to fill vacancies shall serve for the unexpired terms of their predecessors in office. Each such appointment by the Board, whether a replacement or addition, shall be subject

to ratification by the Members at the next regular meeting of the Members. The event of any director who misses three (3) consecutive meetings shall be considered as a resignation by such director without any further procedure.

Section 4.10 Removal of Director. Any Member of the Board of Directors may be removed from office, with or without cause, by the vote of two-thirds (2/3) of the Board of Directors or by a recall petition to the Board of Directors signed by at least fifty (50%) percent of all of the Association's Members in good standing. The vacancy shall be filled pursuant to Section 4.9.

Section 4.11 Compensation. Directors shall not receive any stated salaries for their services. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore. Directors shall be reimbursed for their out-of-pocket expenses, if any, for any expense incurred that was directly related to carrying out business for the Association.

Section 4.12 Action without Meeting. 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 the action is taken by all Members of the Board of Directors or such committee. The action must be evidenced by at least one (1) written consent describing the action taken signed by each Member of the Board of Directors or of such committee, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 4.13 Meeting by Telephone or Electronic Means. Any or all of the Members of the Board, or any and all members of any committee designated by the Board, may participate in a meeting by or through the use of any means of communication by which all persons participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

Section 4.14 Powers. All of the corporate powers, except as otherwise provided herein or by law, shall be vested in and shall be exercised by the Board of Directors. Said powers shall include, but not be limited to:

- (a) the power to adopt, publish, and enforce rules and regulations governing the use of the Common Areas;
- (b) the power to lease or purchase for the benefit of the Members such property, equipment, materials, labor and services as may be necessary in the judgment of the Board;
- (c) the power to exercise the powers and perform the duties of the Corporation granted, imposed, authorized or permitted by the Restrictions and Protective Covenants, the exercise of which is not reserved or committed to the membership by the Articles or By-Laws;

- (d) the power to make and collect Assessments and charges, establish and collect membership dues, and levy and collect fines for the violation of rules and regulations governing the use of the Common Areas; and
- (e) the power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Common Area and the business and affairs of the Corporation; and
- (f) the power to establish committees as may be necessary to carry out the provisions of these bylaws and/or the Restrictions and Protective Covenants.

Section 4.15 Duties. It shall be the duty of the Board of Directors to:

- (a) cause the Common Areas to be maintained in good, clean, attractive and sanitary condition, order and repair;
- (b) adopt and publish rules and regulations, including fees, if any, governing the use of the Common Areas, and the personal conduct of the Members and guests;
- (c) cause to keep complete records of all its corporate affairs, making such records available for inspection by any Members or their authorized agents, and present an annual report thereof to the Members;
- (d) supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (e) issue upon demand by any Member a certificate setting forth whether or not any assessment has been paid and giving evidence thereof for which a reasonable charge may be made;
- (f) designate depositories for the funds of the Association, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;
- (g) prepare the annual budget and fiscal report and make available to the Members;
- (h) recommend for approval by the Members any annual General Assessment amounts in excess of the amounts permitted to be established by the Board under the Restrictions and Protective Covenants;
- (i) annually set the date(s) Assessments are due and decide what, if any, interest

rate to be applied to Assessments which remain unpaid thirty (30) days after they become due;

- (j) send written notice of each yearly Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment;
- (k) cause the filing of a lien against any property for which Assessments are not paid within thirty (30) days after due date to be foreclosed or cause an action at law to be brought against the Owner personally obligated to pay the same;
- (l) procure and maintain adequate insurance to protect the Association, its Directors and committee members, its employees and its personal and real properties;
- (m) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Restrictions and Protective Covenants;
- (n) appoint such committees as are prescribed in Article 6;
- (o) faithfully observe and perform each duty imposed on the Association by the terms of the Restrictions and Protective Covenants and exercise such discretion granted to the Board thereunder in the best interest of the Members;
- (p) exercise their powers and duties in good faith, with a view to the interests of the Association; and
- (q) adopt and implement policies and/or procedures pertaining to violation of Restrictions and Protective Covenants and failure to pay annual dues and/or assessments.

Section 4.16 Non-liability of Directors. No Director shall be liable to any Person for any error or mistake of judgment exercised in carrying out his or her duties and responsibilities as a Director, unless (a) the Director has breached or failed to perform the duties of his office in compliance with the Act and (b) the breach or failure to perform constitutes willful misconduct or recklessness. The Members shall indemnify and hold harmless each of the Directors against any and all liability to any Person arising out of contracts made by the Board on behalf of the Association, unless any such contract shall have been made in bad faith or is contrary to the provisions of the Act, the Articles or these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Members and as their agent.

Section 4.17 Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for any of the structures located in the Common Areas, whether owned or leased by the Association, against loss or damage by fire or other hazards

commonly insured against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, and shall also obtain a broad form public liability policy covering all damage or injury caused by the negligence of the Association or any of its agents. All such insurance policies shall contain a provision that all Members shall, in appropriate circumstances, be able to recover damages as claimants under such insurance. Premiums for all such insurance shall be included in the General Assessment.

Section 4.18 Insured Loss, Damage or Destruction. In the event of loss, damage or destruction by fire or other peril, the Board of Directors shall (unless otherwise agreed to by two-thirds (2/3) of the Directors then serving), upon receipt of the insurance proceeds, contract to rebuild or repair damaged or destroyed portions of the insured property to its condition before such damage. All such insurance proceeds (if the amount of such proceeds exceeds Five Thousand and No/100 (\$5,000.00) dollars) shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the provision agreed to said bank or institution that such funds may be withdrawn only by signatures of at least one-third (1/3) of the members of the Board of Directors, or by their duly authorized agent. In such event, the Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed structure or structures. In the event that the insurance proceeds are insufficient to pay all the costs of repairing or rebuilding of such to the same condition as previously existed, the Board of Directors may levy a Special Assessment to make up any deficiency. Excess insurance proceeds, if any, shall become a part of the Association's reserve for replacements.

Section 4.19 Uninsured Loss, Damage or Destruction. In the event of loss, damage or destruction to the Property caused by perils not covered by standard insurance described in Section 2.04(d) of the Articles, the Board of Directors may levy a Special Assessment to make up any deficiency created by such uninsured loss.

ARTICLE 5

OFFICERS

Section 5.1 Classes. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board of Directors may determine and with such duties as may be fixed by the Board of Directors. The Board of Directors may also create the offices of one or more assistant treasurers and assistant secretaries, all of whom shall be elected by the Board of Directors. Any two or more offices, with the exception of the offices of the President and Secretary, may be held by the same person.

Section 5.2 Election and Term Office. The officers of the Association shall be elected annually by the Board of Directors 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 possible. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each

officer shall hold office until the officer's qualified successor has been duly elected or until the officer's death or until the officer resigns or is removed in the manner hereinafter provided.

Section 5.3 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Association would be served thereby.

Section 5.4 President. The President shall be the Chief Executive Officer of the Association, and shall perform functions of management and supervision of the day-to-day activities and operations of the Association, shall preside at all meetings of the board of Directors, and shall have such other duties as may be assigned by the Board of Directors.

Section 5.5 Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform all the duties of the President and, when so acting, shall have all the powers of and be subject to the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to the Vice President by the President or by the Board of Directors.

Section 5.6 Secretary. The Secretary shall (a) keep the minutes of the Board of Directors' meeting in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records; and (d) in general, perform duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Chairman of the Board, by the President, or by the Board of Directors.

Section 5.7 Treasurer. The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-Laws; (b) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chairman of the Board, by the President, or by the Board of Directors.

Section 5.8 Compensation. By resolution of the Board of Directors, the officers will be reimbursed only their expenses, if any, arising out of their service as officers.

ARTICLE 6

COMMITTEES

Section 6. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of one (1) or more Directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Directors, of any

responsibility imposed on it, or them, by law.

Section 6.2 Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members of the Association, and the President of the Association shall appoint the Members thereof. Any Member thereof may be removed by the person or persons authorized to appoint such Member' whenever in their judgment the best interest of the Association shall be served by such removal.

Section 6.3 Architectural Review Board/Composition. The Architectural Review Board shall be comprised of five (5) members elected by the Board of Directors by a vote of a majority of the Directors then serving.

Section 6.4 Term. The members of the Architectural Review Board shall serve for a term of one (1) year. Members shall be eligible for re-election.

Section 6.5 Removal of Vacancies. The Board of Directors may remove a member of the Architectural Review Board at any time, with or without cause, by a vote of two-thirds (2/3) of the Directors then serving. In the event of a vacancy on the Architectural Review Board, the Board of Directors shall, by a vote of a majority of the Directors then serving, elect a successor to serve the unexpired term.

Section 6.6 Organization. The Architectural Review Board shall elect from among its membership a chairman, secretary and such other officers as it deems appropriate.

Section 6.7 Quorum. A quorum for action by the Architectural Review Board shall be a majority of its members, but in no event less than three (3) members.

Section 6.8 Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location and maintenance of the improvements (present and future) thereon and to regulate such uses of property, all as provided in the Restrictions and Protective Covenants.

Section 6.9 Procedures. The Architectural Review Board shall formulate general guidelines, procedures and regulations consistent with the meaning of the Restrictions and Protective Covenants and in furtherance of uniformity and aesthetic quality of Covered Bridge Subdivision and submit them for approval to the Board of Directors. Such guidelines, procedures and regulations shall be considered adopted policy of the Board of Directors unless rejected by a two-thirds (2/3) vote of the Board of Directors. The Architectural Review Board shall act in accordance with the adopted guidelines, procedures and regulations. Said guidelines, procedures and regulations, once adopted shall be distributed to all Members of Covered Bridge Subdivision. These same procedures may be subsequently amended in accordance with the procedures set out in these By-Laws governing adoption of the same.

ARTICLE 7

CONTRACTS, CHECKS, DEPOSITS AND GIFTS

Section 7.1 Contracts. All contracts of the Association must be approved by the Board of Directors prior to entry or execution by the authorized Officer or Officers in the name of the Association. The Board of Directors may authorize any Officer or Officers, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; provided, however, that unless authorized by the Board of Directors, no Officer, agent or employee shall have authority to bind the Association by any contract or engagement, or pledge its credit or render it liable pecuniary for any purpose or to any amount.

Section 7.2 Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances, provided, however, that the Board of Directors may not incur indebtedness in the name of the Association or its Members in excess of two (2) times the annual assessment amount due from the Members of the Association in the year such indebtedness is incurred without calling a special meeting of the Members of the Association for said purposes and obtaining approval of two-thirds (2/3) of these Members present at such special meeting once a quorum has been established in accordance with these By-Laws.

Section 7.3 Agents, Employees, Consultants, Professional Services. Persons or firms may from time to time be engaged or employed to assist the Association in carrying out its programs and purposes.

Section 7.4 Checks. All checks, electronic transfers in issuance of payment, drafts, notes, bonds, bills of exchange, and orders for the payment of money and other evidence of indebtedness up to the amount of ²One Thousand and 00/100 (\$1000.00) dollars shall be by the Treasurer, and those in excess thereof shall be approved in writing directed to the Treasurer by any two (2) other Board members. ³Any and all expense reimbursement checks with the payee being a member of the Board of Directors must be approved in writing by two Directors, one being the Treasurer and the other being an officer other than the payee. The Board of Directors may, however, designate officers or employees of the Association. other than those named above, who may, in the name of the Association, execute drafts, checks and orders for

² The By-laws were revised by a unanimous vote of the Board of Directors at the Board meeting held November 16, 2009. The By-laws previously stated that the Treasurer alone could not sign for checks in an amount exceeding \$500.00. The By-laws were again revised by a unanimous vote of the Board of Directors at the Board meeting of April 16, 2024 to require the written consent of two (2) other directors prior to the issuance of payment in excess of \$1000.00 in substitution of check signing.

³ The By-laws were revised by a unanimous vote of the Board of Directors at the Board meeting held November 11, 2009. The check signature procedure for expense reimbursement to Directors was added.

the payment of money on its behalf.

Section 7.5 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 7.6 Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for any useful purpose to the Association. Directors are prohibited from accepting gifts or like-value services from any person or company providing services under contract with the Board of Directors or any of its committees.

Section 7.7 Reserve for Replacements. The Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment to such reserve fund an amount determined annually by the Board of Directors that will be sufficient to meet the cost of periodic maintenance, repairs, renewal and replacement of the Property. In determining the amount, the Board shall take into consideration the expected useful life of the Property, projected increases in the cost of materials and labor and interest to be earned by such fund.

ARTICLE 8

BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, committees having and exercising any of the authority of the Board of Directors, and shall keep at the principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by Members, or their agent(s) or attorney(s), for any proper purposes at any reasonable time, to be agreed to by the President of the Board of Directors.

ARTICLE 9

FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE 10

ASSESSMENTS

Section 10.1 Annual Assessments. The Board of Directors shall determine from time to time the amount of annual assessments payable to the Association by the Members, and shall give appropriate notice to the Members on or before January 1 of the year in which the assessment is due. The Notice shall also state the due date of the assessment and late fees due if paid after the due date. Excepting the provisions set out in the Restrictions and Protective

Covenants concerning capital improvements, no increase shall be greater than twenty-five (25%) percent over the previous year's assessment without the majority vote of the Members at a meeting called for the specific purpose. Full assessment of one hundred (100%) percent shall be collected for all on-going, Members.

Section 10.2 Payment of Assessments. Annual assessments shall be payable in advance for one full year. Payment-in-full is due February 1 of each year.

Section 10.3 Default. Any annual assessment not paid by February 1 of the year due shall be considered in default, however, if the annual assessment is paid in full by the end of February in the year due then no late fee assessment will be added. Any assessment not paid in full by the end of February in the year due will then incur a late fee of One Hundred Dollars (\$100.00) if the assessment and late fee is paid in full in March of said year. Thereafter, if the entire balance and late fee is not paid by the end of March in the year due then on the 1st day of each month after March the monthly late fee shall be an additional Fifty Dollars (\$50.00) added to the balance due until the Member pays the full balance of the assessment and all accrued monthly late fees due. The defaulting member shall be responsible for all costs of collection, including, but not limited to reasonable attorney fees, court costs, service and recording fees. The Board of Directors may file a lien against the property of any member in default, in accordance with law to collect the assessment and late fees. (Amended January 2025)

Section 10.4 Assessment Year. The assessment year of the Association shall be the calendar year.

Section 10.5 Special Assessment. The Board of Directors shall have authority to impose a special assessment payable by the Members of the Association to cover unexpected contingencies, liabilities and/or expenses or when its otherwise determined that the annual assessment collected and/or uncollected from the Members of the Association is not sufficient to cover Operating Expenses of the Association or other unforeseen expenses of the Association provided, however, that no special assessment may be imposed unless approved by the vote of two-thirds (2/3) of the Board of Directors at a special meeting called for such purpose. Upon the approval of a special assessment in the manner provided for herein, the Members of the Association shall be given notice of such special assessment and the reason or reasons therefore at least sixty (60) days prior to such assessment becoming due and payable. Failure to make payment of such special assessment will subject a Member to the penalties and procedures provided for elsewhere in these By-Laws, the Articles of Incorporation or any other procedures, regulations and/or provisions adopted by the Board of Directors as provided for in these By-Laws, the Articles of Incorporation, the Restrictions and Protective Covenants or by law.

ARTICLE 11

INDEMNIFICATION

Any director, officer, or former director or officer of the Association shall be

indemnified by the Association against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a part by reason of being or having been such director or officer and any other expenses as authorized by resolution of the Board of Directors. Said indemnification does not apply to actions in which the former or present director or officer is adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association.

ARTICLE 12

AMENDMENTS

The Board of Directors shall have the power and authority to alter, amend or repeal, or adopt new By-Laws of the Association at any regular or special meeting at which a quorum is present by the vote of the majority of the entire Board of Directors.

ARTICLE 13

WAIVER OF NOTICE

Whenever any notice is required to be given to any director of the Association or other person under the provisions of these By-Laws or under the laws of Indiana, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

SECTION 14

ENFORCEMENT

Section 14.1 Abatement and Enjoinment of Violation of Lot Owners. In addition to any and all remedies provided under the Restrictions and Protective Covenants and/or these By-Laws, the Board of Directors shall have authority to do the following: The violation of any of the rules and regulations adopted by the Board of Directors or the breach of any provision of the Restrictions and Protective Covenants or other policies, rules and/or procedures adopted by the Association, the Board of Directors, any committees provided for hereunder (the "Documents") shall give the Board of Directors the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these By-Laws:

- (a) To enter the Lot in which, or as to which the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that lot) that is existing and creating a danger to the community areas contrary to the intent and meaning of the provisions of the Documents. The Board of Directors shall not be deemed liable for any manner

of trespass by this action; or

- (b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 14.2 Fine for Violation. By resolution, following notice and hearing, the Board of Directors may levy a fine of up to One Hundred and 00/100 (\$100.00) dollars per day of each day that a violation of the Documents or rules persists after notice and hearing required by law.

ARTICLE 15

INCORPORATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR COVERED BRIDGE HOMEOWNERS' ASSOCIATION

The Association adopts by reference all of the Restrictions and Protective Covenants for Covered Bridge Subdivision recorded in the Office of the Recorder of Clark County, Indiana.

CERTIFICATE OF BY-LAWS

I, Stephen Smith, President of Covered Bridge Homeowners' Association, Inc., hereby certify:

The foregoing By-Laws comprising fifteen (15) pages were adopted as the By-Laws of Covered Bridge Homeowners' Association, Inc.

Dated: January 21, 2025

COVERED BRIDGE HOMEOWNERS' ASSOCIATION

By: Stephen M. Smith
Stephen Smith, President

ATTEST:

By: Nancy Hughes
Nancy Hughes, Secretary