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Jennifer J Hayden
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DULY ENTERED FOR TAXATION
Subject to final acceptance for transfer
25 day of Jan., 2008
Robin N Mills Auditor of Hamilton County

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Tax Parcels: 11-06-15-00-00-018.000
11-06-05-00-00-019.000
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DECLARATION OF RESTRICTIONS, COVENANTS AND EASEMENTS FOR HARBOUR TOWN CONDOMINIUMS

This Declaration (the *"Declaration"*) is for a condominium under the Indiana Condominiums Act, IC 32-25-1, *et seq.* (*"Act"*), made this 25th day of January, 2008, by *Harbour Town Ventures II, LLC*, an Indiana limited liability company.

1. *DECLARATIONS AND SUBMISSION OF REAL ESTATE UNDER TERMS AND CONDITIONS OF THE INDIANA CONDOMINIUMS ACT.* The Declarant, whose principal office and place of business is located at 20971 Shoreline Court #303, Noblesville, Indiana 46062, being the fee simple owner of certain real estate located in Hamilton County, State of Indiana, by virtue of a Special Warranty Deed dated August 30, 2005, and recorded on September 16, 2005, as Instrument No. 200500061184, in the records of the Recorder of Hamilton County, Indiana, does on the date hereof create, submit, declare, and subject that portion of such real estate identified as Tract A (defined below) to a condominium regime under the Act, together with the buildings, improvements, and appurtenances as shown and depicted on the Plans (defined below) to be known as "Harbour Town Condominiums" (the *"Condominium"*).

2. *INDIANA CONDOMINIUM LAW.* Declarant further states and expressly declares that the Act is incorporated into and made a part of this Declaration by this reference.

3. *DESCRIPTION OF TRACT A REAL ESTATE.* The real estate upon which the building, improvements, and appurtenances are to be located (subject to the expansion rights set forth in this Declaration) is set forth and described in *Exhibit "A"*, is sometimes also referred to herein as the "Property" and "Tract A", and is further described and depicted on the Plans and survey, all of which are incorporated into and made a part of this Declaration by this reference.

4. *DEFINITIONS.* The following terms, as used in the Declaration, unless the context clearly requires otherwise, shall mean the following:

4.1 *"Harbour Town Condominiums"* means the name by which the Property shall be known.

4.2 *"Act"* means the Condominium law of the State of Indiana codified at IC 32-25-1, *et seq.*

4.3 *"Association"* means the "Harbour Town Condominium Owner's Association, Inc.", an Indiana not-for-profit corporation more particularly described in Paragraph 20 of this Declaration.

4.4 *"Board" or "Board of Directors"* means the governing body of the Association, being the initial Board of Directors referred to in the Bylaws or subsequent Board of Directors elected by the Co-Owners in accordance with the Bylaws. The terms "Board" and "Board of Directors", as

used in this Declaration and in the Bylaws, shall be synonymous with the term "board of directors" as used in the Act.

4.5 *"Boat Dock Area"* means those certain shoreline amenities located or to be located upon the Expansion Parcel (whether currently existing or to be constructed), including the seawall and related improvements, a number of boat docks and associated boat slips, a boat ramp or ramps, and related improvements to permit watercraft use and temporary storage.

4.6 *"Boat Dock Area Access Easement Rights"* means the non-vehicular, non-exclusive access easement rights reserved across Tract B in favor of Tract A as more particularly described in Section 7 of this Declaration.

4.7 *"Building" and "Buildings"* means the structure(s) which the Declarant may construct upon the Property in which the Units, some of the Common Areas (defined below) and some of the Limited Areas (defined below) are located. The Buildings which may be constructed are more particularly described and identified on the Plans and in Paragraph 5 of this Declaration.

4.8 *"Bylaws"* means the Bylaws of the Association providing for the administration and management of the Property as required by and in conformity with the provisions of the Act. A true and accurate copy of the Bylaws is attached to this Declaration as ***Exhibit "D"*** and incorporated herein by this reference.

4.9 *"Co-Owners"* means the owners of all the Units.

4.10 *"Common Areas"* means the common areas and facilities appurtenant to the Property and consists of and includes all portions of the Property and the Improvements located on the Property, excluding the Units, except as otherwise described in this Declaration and the Bylaws, all as more particularly defined in Paragraph 9 of this Declaration.

4.11 *"Common Expenses"* means expenses of administration of the Association and expenses for the upkeep, operation, maintenance, repair and replacement of the Common Areas and Limited Areas and all sums lawfully assessed against the Owners by the Association or as declared by the Act, this Declaration, or the Bylaws. Unless otherwise provided herein or otherwise determined by Declarant or the Association (as applicable) in accordance with this Declaration, Common Expenses shall be paid by Owners on a pro rata basis in accordance with their respective Percentage Interests as determined from time to time.

4.12 *"Condominium Interest"* shall mean the following:

4.12.1 Fee simple title to a Unit;

4.12.2 An undivided interest, together with all other Owners, in the Common Areas and Limited Areas in the Property;

4.12.3 As set forth herein, an exclusive right to use the areas described in the Declaration, Plans and accompanying documents as "Limited Areas" and restricted to the use of the Owner's respective Unit;

4.12.4 As set forth herein, the Boat Dock Area Access Easement Rights;

4.12.5 A membership in the Association is subject to the Declaration and the governing documents of the Association, including the Bylaws;

4.12.6 Fee simple title to the Parking Space assigned to the Unit as shown by the Plans which are a part of this Declaration, if any.

4.13 *"Declarant"* shall mean and refer to ***Harbour Town Ventures II, LLC***, an Indiana limited liability company, and any successors and assigns whom such limited liability company designates in one or more written recorded instruments to have the rights of Declarant under this Declaration, including, but not limited to, any mortgagee acquiring title to all or any portion of the Property pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant. A mortgagee acquiring title by virtue of foreclosure against the Declarant does not assume the prior obligations or liabilities of the Declarant.

4.14 *"Expansion Parcel"* means Tract B, along with (following expansion of the Property to include all or any portion of the Expansion Parcel) the Units, the Buildings, improvements, recreational facilities, appurtenances, and property of every kind and nature whatsoever, real, personal, and mixed, located upon Tract B and used in connection with the operation, use, and enjoyment thereof, but expressly does not include the personal property of the Owners or their tenants. If Declarant elects to expand the Property to include all or any portion of the Expansion Parcel, such portion of the Expansion Parcel shall thereafter be part of the Property.

4.15 *"Limited Areas"* means those portions of the Common Areas and facilities which are limited in their use and enjoyment to fewer than all the Owners, all as more particularly described in Paragraph 10 of this Declaration.

4.16 *"Mortgagee"* means the holder of a first mortgage lien on a Unit.

4.17 *"Owner"* means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof who owns the fee simple title to a Unit and the Condominium Interest inherent therein, with each Owner also being a Co-Owner.

4.18 *"Parking Space"* means an individual parking space located in a Building, with any Parking Space assigned to a Unit being a Limited Area serving the Unit.

4.19 *"Percentage Interest"* means the percentage of undivided interest in the title to the Common Areas and Limited Areas appertaining to each Unit as specifically expressed in this Declaration, to be determined from time to time based upon the square footage of each Unit as it relates to the square footage of all Units in then-completed Buildings.

4.20 *"Percentage Vote"* means that percentage of the total vote accruing to all of the Units which is appurtenant to each particular Unit and accrues to the Owner of such Unit. The Percentage Vote to which each Owner shall be entitled on any matter upon which the Co-Owners are entitled to vote shall be the same percentage as the Percentage Interest appurtenant to such Owner's Unit.

4.21 *"Plans"* means the floor plans, building plans and elevations of the Building and Units constructed and which may be constructed upon Tract A, including the Building and Site Plans prepared and certified by David A. Lacke, P.E., a professional engineer licensed in the State of

Indiana, Number 10000126, dated October 24, 2007, or as may be subsequently amended. The survey of Tract A was certified by Dennis K. Singer, a registered land surveyor for the State of Indiana, R.L.S. Number S0470 (the "Surveyor"), as true and correct on the 24th day of October, 2007.

4.22 *Property"* shall initially mean Tract A, along with the Units, Building, improvements, recreational facilities, appurtenances, and property of every kind and nature whatsoever, real, personal, and mixed, located upon Tract A and used in connection with the operation, use, and enjoyment of Harbour Town Condominiums, but expressly does not include the personal property of the Owners or their tenants. If the Property is expanded to include all or any portion of the Expansion Parcel, the definition of Property shall thereafter include all areas of the Expansion Parcel that are the subject of such expansion.

4.23 *"Combined Real Estate"* means the real estate described in ***Exhibit "C"*** and all easements, rights and appurtenances pertaining thereto, which includes both Tract A (the initial Property) and Tract B (the Expansion Parcel).

4.24 *"Storage Locker"* means an individual storage area located in a Building, with the storage area assigned to a Unit being a Limited Area serving the Unit.

4.25 *"Tract A"* means that portion of the Combined Real Estate described in ***Exhibit "A"*** attached hereto and incorporated herein by this reference, upon which Building 1 and its associated improvements are located. Tract A is also sometimes referred to herein as the Property, prior to any election by Declarant to expand the Property to include all or any portion of the Expansion Parcel.

4.26 *"Tract B"* means that portion of the Combined Real Estate described in ***Exhibit "B"*** attached hereto and incorporated herein by this reference. Tract B is also sometimes referred to herein as the Expansion Parcel.

4.27 *"Unit"* means an individual condominium unit in a Building located upon the Property. Each Unit shall be a separate freehold estate as provided in the Act consisting of the space within the boundaries of such Unit and being more particularly described and identified on the Plans and in other paragraphs of this Declaration. For purposes of the application of the Act to the Condominium, the term "Unit" as used in this Declaration and all attending documents shall be deemed to be synonymous with the term "Condominium Unit." Wherever the term "Condominium Unit" is used in the Act, the name shall be deemed to apply to the term "Unit" as used in the documents of the Condominium.

5. *DESCRIPTION OF THE BUILDING.* The Building to be constructed upon Tract A (sometimes referred to herein as "Building 1") shall be a four (4) story building with lobby, parking and related facilities on the ground level and with forty-five (45) Units located on levels 2, 3 and 4 of the Building. Additional Buildings may be constructed upon all or any portion of the Expansion Parcel in the event Declarant elects to expand the Condominium to include all or any portion of Expansion Parcel, with Declarant having authority to construct a maximum of two hundred eighty (280) additional Units upon the Expansion Parcel, for a total of three hundred twenty five (325) Units upon the Combined Real Estate. The Buildings may be constructed in phases, with each Building (and the Units contained therein) becoming subject to the terms and conditions of this Declaration upon substantial completion thereof and recording of a Supplemental Declaration subjecting all or

any portion of Tract B to the Condominium. Nothing contained herein shall be deemed to require construction of additional Buildings or construction of all three hundred twenty five (325) Units, and Declarant shall be permitted to construct and sell Units in any Building or Buildings on a continuing basis without any requirement to construct any future Building or Buildings except as determined in Declarant's sole and absolute discretion. Further details, terms and use conditions for all the Buildings and appurtenances, including applicable Common Areas and Limited Common Areas within the Buildings, and including, but not limited to the storage areas, recreational areas, parking areas and other Limited and Common Areas affecting the Property, are set forth in and further delineated on the Plans.

6. *IDENTIFICATION AND TITLE TRANSFER OF UNITS AND PARKING SPACES.* Each Unit and Parking Space are identified and located by Unit number and Parking Space number on the Plans. The Plans set forth the Building as it is to be placed upon Tract A, the relation of the Building to the lot lines, and the placement of all other improvements upon Tract A and in the Building. The Plans further establish the location or locations of the Units and Parking Spaces within the Building. Accordingly, the Unit numbers and floor level designating the Units within the Building are set forth on the Plans, and said Plans further designate the dimensions, layout, and locations of the respective Units. The Parking Space numbers designate the Parking Spaces in the Building and locations of the respective Parking Spaces. Declarant shall be permitted to separately assign excess parking spaces to Owners of Units in the Building in which the Units are located. A sufficient legal description of each Unit and each Parking Space for all purposes shall consist of the Building Number, the Unit, the Parking Space and the name of the Condominium and reference to the recording information. By way of example, a Unit may be formally described, conveyed, and referred to as follows:

> Unit ___ in Building 1 of Harbour Town Condominiums, together with the Parking Space and Storage Locker assigned to such Unit, and the undivided interest in the Common Areas appurtenant to said Unit, according to the Declaration recorded as Instrument No. _____ on the ___ day of _____, 200___, in the Office of the Recorder of Hamilton County, Indiana.

7. *BOAT DOCKS.* The provisions of Sections 7.1 through Section 7.4 of this Declaration shall apply until such time as Harbour Town Ventures II, LLC no longer owns the portion of the Expansion Parcel on which the Boat Dock Area is located. Upon the conveyance of such portion of the Expansion Parcel to a third party: (a) Section 7.1 through Section 7.4 of this Declaration shall cease to apply; (b) the Association, acting through its Board of Directors, shall be entitled to enter into a shared expense and use agreement with respect to the Boat Dock Area with such third party, addressing, among other things, the matters discussed in Section 7.1 through Section 7.4; and (c) such shared expense and use agreement shall be subject to the provisions of Section 15.3 of this Declaration regarding additional common expenses.

7.1 In accordance with specifications approved by the Indianapolis Water Company or other agency or management agent having authority over Morse Reservoir and construction of facilities thereon, from time to time (hereinafter referred to as *"IWC"*), Declarant (and its successors and assigns) shall be permitted to construct improvements to the existing Boat Dock Area located upon the Expansion Parcel to permit construction of replacement and additional docks, piers and related improvements (individually, a *"Dock"*, and collectively, the *"Docks"*), thereby permitting installation of up to a total of two hundred twenty (220) boat slips (individually, a *"Boat Slip"*, and collectively, the *"Boat Slips"*), along with other shoreline amenities in and along the Boat Dock Area. The general plan of construction in

the Boat Dock Area shall be determined by Declarant, subject to future modification as Declarant or its successors and assigns deem necessary or desirable. The Boat Dock Area has been or shall be constructed in general compliance with plans and specifications approved by IWC. Subsequent modifications of the Boat Dock Area and the Docks are subject to IWC approval.

7.2 Each common boat dock, upon construction thereof by the Declarant, will be maintained and operated by the Association for the use and benefit of the Owners and will become a part of the Common Areas upon the expansion of the Property to include the Boat Dock Area portion of the Expansion Parcel.

7.3 The Declarant or the Association, through its Board of Directors, shall from time to time adopt rules and regulations for use of the individual boat slips and Boat Dock Area by the Owners and their guests. Any rule or regulation adopted by the Declarant or the Association shall be consistent with this Declaration and Supplemental Declaration. In the event of any inconsistency in language in such documents, this Declaration and any Supplemental Declaration shall be controlling.

7.4 As part of the maintenance and operation of the Boat Dock Area, not including those sections of the Boat Dock Area designated as Common Areas following the expansion of the Property to include the Boat Dock Area, the Association, by its Board of Directors, shall allocate for maintenance costs and replacement reserves in the form of a special Boat Dock Area assessment (the *"Boat Dock Area Assessment"*), to be determined by the Declarant or the Association as follows:

7.4.1 Any Owner desiring to be assigned a boat slip for their use and enjoyment shall first execute a Boat Slip License Agreement or Sub-License Agreement (if permitted by IWC) in the form required by Declarant or the Association (a *"Boat Slip License Agreement"*).

7.4.2 All Owners who have executed a Boat Slip License Agreement for the use and enjoyment of one (1) or more boat slips in the Boat Dock Area shall be assessed an annual fee based upon the actual costs of maintenance and operation of the individual boat slips in the calendar year preceding the assessment (or based upon a good faith estimate of such expenses if such use occurs during the first calendar year of operation of the Boat Dock Area under this Declaration).

7.4.3 Any Owner who has executed a Boat Slip License Agreement to use one (1) or more Boat Slip(s) shall pay their proportionate share of the Boat Dock Area Assessment, which shall be determined by dividing the number of Boat Slips used by the Owner by the total number of Boat Slips available for use in the Boat Dock Area. The Declarant shall not be required to pay the Boat Dock Area Assessment, except as may otherwise be provided herein.

7.4.4 Use of the Boat Slips shall at all times be in accordance with the rules and regulations adopted by the Declarant or the Association. In addition to any additional rules or regulations included herein or later adopted:

(a) Owners and their family members and guests shall at all times comply with applicable federal, state and local statutes, laws, rules, regulations and ordinances in connection with their use of the Boat Dock Area, as well as rules, regulations and other requirements adopted by IWC in connection with use of the Boat Dock Area and Morse Reservoir;

(b) each Boat Slip shall be restricted to use by a maximum of: (i) one boat; or (ii) two (2) jet skis or similar personal watercraft; (b) all watercraft shall be stored in such a manner so as to be completely within the confines of the Boat Slip;

(c) all installation of lifts, dock boxes or other improvements in a Boat Slip shall be first approved by the Declarant or Association (including the location and manner of attachment), and any such improvements installed without approval may be removed by the Declarant or Assocation at the Owner's expense;

(d) the Boat Dock Area and the Boat Slips shall be used at the Owner's sole risk;

(e) any lift shall have a canopy which is royal blue in color to match other lift canopies in the Boat Dock Area, or any other color approved by the Declarant or the Association in writing;

(f) Owners may not further license or sublicense Boat Slips to any person other than another Owner;

(g) Owners which are entities shall designate a single individual (who shall be a majority or substantial minority owner of such entity) as the person authorized to utilize the Boat Slip; and

(h) no transfer of any Boat Slip License shall be valid unless in compliance with the rules and regulations and notice of such transfer is provided to the Declarant or Association along with a fully executed Boat Dock License Agreement in the approved by Declarant or the Association.

The Declarant or (following transfer of authority, the Association) shall be authorized to enforce said rules and regulations, including the right to: (a) temporarily suspend Owner or third party licenses for failure to follow applicable rules and regulations or to pay required assessments; and (b) to terminate applicable Boat Slip License Agreements based upon repeated violations of such rules and regulations.

7.4.5 With respect to any Boat Slips which are not licensed to Unit Owners prior to the date upon which the Unit Owners have elected the entire Board of Directors of the Association, Declarant shall on the date immediately preceding such election be granted a license for all remaining Boat Slips, and shall thereafter be authorized to enter into Boat Slip Sub-License Agreements (in a form substantially similar to the Boat Slip License Agreements) to permit Unit Owners to use said Boat Slips; provided, however, that Declarant shall from and after such date pay a Boat Dock Area Assessment equal to that paid by Unit Owners per Boat Slip, and that Declarant shall provide copies of any Boat Slip Sub-License Agreements to the Association for its records.

7.4.6 The Boat Dock Area Assessment shall constitute a lien on any Units owned by the subject Owners, and shall constitute a Special Assessment to be prorated among all Units owned by Owners who have executed a Boat Slip License Agreement in accordance this Declaration and the Rules and Regulations.

7.4.7 Declarant hereby declares, creates, makes, and reserves a perpetual and nonexclusive easement appurtenant to Tract A for the benefit of Tract A, the Association, all Owners and their successors, assigns and guests for pedestrian ingress and egress to and from Tract A and the Boat Dock Area over and across the walkways, walking paths and bicycle paths from time to time located on Tract B (individually, a *"Tract B Path"* and, collectively, the *"Tract B Paths"*). The owner of Tract B shall be entitled, in its sole discretion: (a) to interrupt use of the Tract B Paths for repair or maintainenance purposes; and (b) to relocate or eliminate one or more Tract B Paths; provided, however, that at all times there shall be at least one serviceable Tract B Path between Tract A and the Boat Dock Area. The rights and easements created by this paragraph shall not be used in a manner which damage or overburden any Tract B Path improvements, nor shall such use interfere with the use and enjoyment of Tract B by any owner of Tract B.

8. *DESCRIPTION OF UNITS.*

8.1 *Appurtenances.* Each Unit shall consist of all space within the boundaries thereof and all portions of the applicable Building situated within such boundaries, including but not limited to all fixtures, facilities, utilities, equipment, appliances, and structural components designed and intended solely and exclusively for the enjoyment, use and benefit of the Unit wherein the same are located, or to which they are attached, but excluding therefrom those designated, designed or intended for the use, benefit, support, safety or enjoyment of any other Unit or which may be necessary for the safety, support, maintenance, use and operation of any part of the applicable Building or which are normally designed or designated for common use; provided, however, that all fixtures, equipment and appliances designated, designed or intended for the exclusive enjoyment, use and benefit of a Unit shall constitute a part of such Unit, whether or not the same are located within or partly within the boundaries of such Unit, and all interior walls and all of the floors and ceilings within the boundaries of a Unit are considered part of the Unit.

8.2 *Boundaries.* The boundaries of each Unit shall be as shown on the Plans, between the interior unfinished surface of the floors, ceilings and perimeter walls of each according to the Unit. In the event any horizontal or vertical or other boundary line as shown on the Plans does

not coincide with the actual location of the respective wall, floor or ceiling surface of the Unit because of inexactness or construction, settling after construction, or for any other reasons, the boundary lines of each Unit shall be deemed to be and treated for purposes of ownership, occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction. Such condition shall not affect the allocated Unit square footage or the Unit Percentage Interest. In such case, permanent appurtenant easements for exclusive use shall exist in favor of the Owner of each Unit in and to such space lying outside of the actual boundary lines of the Unit, but within the appropriate wall, floor or ceiling surfaces of the Unit.

8.3 *Condominium Interest.* Each Unit shall carry with it a Condominium Interest, and the Condominium Interest shall be inseparable from said Unit and shall pass with the fee interest to said Unit as an integral part of such Unit.

9. *COMMON AREAS AND FACILITIES; EASEMENT AND LICENSE.* Common Areas shall include but are not limited to the following areas of the Property that are subject to this Declaration from time to time:

a. The Property (excluding the Units and any land where current Buildings exist or future Buildings may be constructed);

b. The foundations, columns, girders, beams, supports, and roof of the Buildings;

c. The driveways, parking areas not located in or under a Building, yards, gardens, sidewalks and maintenance and storage facilities; provided, however, that certain parking areas located outside the footprint of the Buildings may be designated as parking for the exclusive use of Unit owners in such Buildings or their guests or invitees, as determined by Declarant in its sole and absolute discretion;

d. All facilities providing central electricity, gas, water supply systems, and sanitary sewer or septic systems and mains serving the Buildings;

e. Exterior lighting fixtures and electrical service lighting exterior of the Buildings;

f. Pipes, ducts, electrical wiring, and conduits and public utilities lines;

g. Roofs, floors, ceilings, and perimeter walls, except the interior surface thereof as defined in boundaries of individual Units;

h. All facilities and appurtenances located outside of the boundary lines of the Units, except those areas and facilities expressly defined as part of a Unit and except to the extent the same are otherwise classified and defined as Limited Areas; and

i. Any other portions of the Property necessary or convenient to its existence, maintenance and safety or normally in common use, except to the extent specifically included within the boundaries of the Units.

Each Owner of a Unit may use the Common Areas in accordance with the By-Laws, Rules and Regulations and for the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, subject always to the exclusive use of the Limited Areas

as provided in this Declaration. Declarant shall be permitted (but not required) to expand the Property to include all or any portion of the Expansion Parcel, and upon the occurrence thereof to designate additional Common Area.

10. *LIMITED AREAS.* Limited Areas and those Units to which use thereof is limited are as follows:

10.1 *Mechanical Equipment.* Air conditioning equipment, heating equipment, ventilation equipment, ducts, pipes, wires, bathroom plumbing facilities and fixtures, kitchen plumbing facilities and fixtures, and hot and cold water systems, including water heaters, shall be facilities reserved for the use of the Units respectively served by such equipment. The designation of the Limited Areas and the Unit or Units they serve is set forth and depicted on the Plans or as further described and defined in this Declaration. The costs of upkeep, maintenance, replacement, and management of the Limited Areas and facilities, systems, and equipment shall be charged to the Owners of the Unit or Units served by such equipment as Unit expenses in the manner provided in the Bylaws.

10.2 *Window Frames, Door Frames, Entrances, Walks, and Steps.* Window frames, door frames, entrances, walks, and steps upon or through which access to a Unit is obtained are limited to the use and enjoyment of the Unit or Units served by such improvements. The exterior sides and surfaces of doors, windows, and frames surrounding the same in the perimeter walls of each Unit shall be limited to the exclusive use of the Condominium Unit to which they appertain and the expense for maintaining or replacing same shall be borne by the Owner of the Unit.

10.3 *Utilities and Improvements Serving Individual Units.* All utilities lying within the exterior dimensions of the perimeter walls of any Unit and exclusively serving a particular Unit or Units within the Building shall be deemed to be Limited Areas, and shall be restricted to the use and enjoyment of the Unit or Units which they serve. Such utilities shall expressly be deemed to include, but shall not be limited to all water, sewer, gas, electrical, TV, telephone, and heating and air conditioning lines, ducts, improvements, and facilities of every type or nature whatsoever. Except as may otherwise be expressly provided, such utilities and all portions thereof lying outside the exterior perimeters of any Unit shall be deemed to be and remain Common Areas. In addition to those facilities established as Limited Areas above, all heating and air conditioning facilities lying within or without the exterior perimeters of any Unit and serving any particular Unit within any such Building shall be deemed to be Limited Areas, and shall be restricted to the use and enjoyment of the Unit which they serve. The cost of maintaining and replacing such facilities shall be borne by the Unit served by such equipment, and the owner shall be personally responsible for such maintenance replacement and costs. Such heating and air conditioning facilities shall include all heating and air conditioning ducts, lines, and improvements lying within the exterior or interior perimeters of the Building, all air condensers located or lying outside any Unit and all lines, ducts, or facilities connecting any such condenser with any of the said lines, ducts or improvements within the perimeters of a Building.

10.4 *Limited Areas of Each Building.* The hallways shown on the Plans located in each Building shall be limited in use to the Units located in each Building.

10.5 *Limited Areas Depicted on Plans.* All other areas and facilities designated and shown on the plans as Limited Areas shall be limited to the Unit or Units to which they pertain and serve as shown on the Plans.

11. *ENCROACHMENTS AND EASEMENTS FOR COMMON AREAS.* If by reason of the location, construction, settling, or shifting of any Building, any Common Areas or Limited Areas now or subsequently encroach upon any Unit, then in such event an easement shall be deemed to exist and run to the Co-Owners and the Association for the maintenance, use, and enjoyment of such Common Area or Limited Area. Notwithstanding any other provision in this Declaration to the contrary, each Owner shall have an easement in common with another Owner or Owners to use all pipes, wires, ducts, cables, conduits, utility lines, and other common facilities of any kind or nature located in or running through any of the other Units and serving such Owner's Unit.

12. *ENCROACHMENT DUE TO EXTERNAL CAUSE.* In the event any Building, the Unit, or any adjoining Common Area shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachment of parts of the Common Areas upon any Unit, or of any Unit upon any other Unit or upon any portion of the Common Areas, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance of such encroaching Common Area or Unit shall exist so long as the applicable Building shall stand.

13. *EASEMENTS; RESERVED RIGHTS.* The Board of Directors shall be authorized and empowered to give, convey, transfer, cancel, relocate, and otherwise deal with utility and other easements located on or within the Common Areas and Limited Areas, and shall be further authorized to grant easements in favor of any future owner or developer (and subsequent residents, occupants and owners) of residential dwellings constructed upon the Expansion Parcel. Declarant shall be permitted to maintain, locate and relocate: (a) a sales office and a management office in the community building; and (b) up to six (6) model Units located, from time to time, in Building 1 and in any Buildings located upon portions of the Expansion Parcel in the event the Property is expanded to include such portion of the Expansion Parcel, and Declarant hereby reserves any and all easements and other rights necessary to effect such uses in accordance with and subject to the provisions of Section 32-25-8-4 of the Act.

14. *OWNERSHIP OF COMMON AREAS AND PERCENTAGE INTEREST.* Each Owner shall have an undivided interest in the Common Areas and the Limited Areas as provided by the Act with all other Owners. With respect to the Building constructed upon Tract A, the undivided interest would be equal to each Owner's Unit's Percentage Interest stated in *Exhibit "E"* attached to this Declaration and incorporated herein by this reference (the *"Percentage Interest Schedule"*).

15. *EXPANDABLE CONDOMINIUM.* Harbour Town Condominiums is and shall be an "expandable condominium," as defined in the Act, and Declarant expressly reserves the right and option to expand the Property in accordance with the provisions of the Act and the following provisions:

15.1 *Phase I Property.* The Property described and defined as Tract A is the portion of the Combined Real Estate being subjected to the Condominium by this Declaration and constitutes Phase I of the general plan of development of the Combined Real Estate. The Property described and defined as Tract B (also referred to as the Expansion Parcel) is the area into which expansion of Harbour Town Condominiums may be made by Declarant, but such expansion shall not be required. The maximum number of Units which may be developed on the Combined Real Estate, including Units on Tract A, shall be three hundred twenty five (325). Subject to said limit as to the maximum number of Units to be developed on the Combined Real Estate, the Condominium may be expanded by Declarant to include additional portions of the Combined Real Estate in one

or more additional phases by the execution and recording of one or more Supplemental Declarations; provided, however, that no single exercise of such right and option or expansion as to any part or parts of the Combined Real Estate shall preclude Declarant from thereafter from time to time further expanding to include other portions of the Combined Real Estate, and such right and option of expansion may be exercised by Declarant from time to time as to all or any portions of the Combined Real Estate so long as such expansion is effected on or before ten (10) years from the date of this Declaration. Such expansion is entirely at the discretion of Declarant and nothing contained in this original Declaration or otherwise shall require Declarant to expand beyond Tract A or any other portions of the Combined Real Estate which Declarant may voluntarily and in its sole discretion from time to time subject to this Declaration by Supplemental Declarations as provided above. Furthermore, nothing in this Declaration shall prohibit Declarant from transfering all or any portion of the Expansion Parcel to third parties for separate development. In the event of any such transfer, the right to expand the Condominium pursuant to this Declaration shall automatically cease and be of no further force and effect with respect to that portion of the Expansion Parcel transferred.

15.2 *Determination of Percentage Interests.* The Percentage Interest which will appertain to each Unit in Harbour Town Condominiums as the Condominium may be expanded from time to time by Declarant in accordance with the terms hereof (including the Percentage Interest which appertains to each of the Units included in this original Declaration) shall be a percentage equal to the total number of square feet in that Unit (the numerator) divided by the total number of square feet in all Units which from time to time have been subjected and submitted to this Declaration and then constitute a part of the Condominium (the denominator).

15.3 *Additional Common Expenses.* To the extent the Association enters into a shared expense and use agreement relating to amenities and/or facilities located on Tract B, the expenses associated with such agreement shall be allocated in the same manner as described in Section 15.2 above, provided that the denominator shall include the square feet of all Units subjected to the Declaration and the square feet of all dwelling units located (from time to time) on the Expansion Parcel. The Association shall have the authority to enter into any expense sharing and use agreement at any time, and from time to time; provided, however, that the Association shall not be permitted to enter into any agreement which contemplates payment of any costs or expenses relating to amenities and facilities located upon the Expansion Parcel if the Owners are not permitted to use and enjoy such amenities and facilities in substantially the same manner as they are permitted to use and enjoy Common Area.

15.4 *Plans.* Simultaneously with the recording of amendments or supplements to this Declaration expanding the Property, Declarant shall record new plans as required by the Act. Such amendments or supplements to this Declaration (individually, a *"Supplemental Declaration"*, and collectively, the *"Supplemental Declarations"*) shall also include provisions reallocating Percentage Interests so that the Units depicted on such new plans shall be allocated to Percentage Units in the Common Areas on the same basis as the Units depicted in the prior plans. Such reallocation of Percentage Interests shall vest when the Supplemental Declaration incorporating those changes has been recorded.

15.5 *Liens.* When the Supplemental Declaration incorporating the addition of Units or expansion of Common Areas, or both, is recorded, all liens including, but not limited to, mortgage liens shall be released as to the Percentage Interests in the Common Areas described in the Declaration and shall attach to the reallocated Percentage Interests in the Common Areas as

though the liens had attached to those Percentage Interests on the date of the recordation of the mortgage or other lien. The Percentage Interest appertaining to additional Units being added by the amendment or supplement to the Declaration are subject to mortgage liens upon the recordation of the amendment or supplement to the Declaration. In furtherance of the foregoing, a power coupled with an interest is granted to the Declarant, as attorney-in-fact, to shift the Percentage Interest in the Common Areas appurtenant to each Unit to the percentages set forth in each such Supplemental Declaration recorded pursuant to this Paragraph 15. Each deed, mortgage, or other instrument with respect to a Unit and the acceptance of such deed shall be deemed a grant and acknowledgement of and consent to such power to said attorney-in-fact, and shall be deemed to reserve to said attorney-in-fact the power to shift and reallocate from time to time the percentages of ownership in the Common Areas appurtenant to each Unit to the percentages set forth in each such recorded Supplemental Declaration. Each Owner of a Unit by acceptance of a deed, further acknowledges, consents and agrees, as to each such Supplemental Declaration that is recorded as follows:

15.5.1 The portion of the Property described in each such Supplement Declaration shall be governed in all respects by the provisions of the Declaration.

15.5.2 The Percentage Interest in the Common Areas appurtenant to each Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded Supplemental Declaration and upon the recording of each Supplemental Declaration, shall be deemed to be released and divested from such Owner and re-conveyed and reallocated among the other Owners as set forth in each such Supplemental Declaration.

15.5.3 Each deed, mortgage, or other instrument affecting a Unit shall be deemed given subject to the conditional limitation that the Percentage Interest in the Common Areas appurtenant to each Unit shall, upon the recording of each Supplemental Declaration, be divested *pro tanto* to the reduced percentage set forth in such Supplemental Declaration and vested among the other Owners, mortgagees, and others owning an interest in the other Units in accordance with the terms and percentages of each such Supplemental Declaration.

15.5.4 A right of revocation is reserved by the grantor in each such deed, mortgage, or other instrument of a Unit to so amend and reallocate the Percentage Interest in the Common Areas appurtenant to each Unit.

15.5.5 The Percentage Interest in the Common Areas appurtenant to each Unit shall include and be deemed to include any additional Common Areas included in land to which is expanded by a recorded Supplemental Declaration and each deed, mortgage, or other instrument affecting a Unit shall be deemed to include such additional Common Areas and the ownership of any such Unit and lien of any such mortgage shall automatically include and attach to such additional Common Areas as such Supplemental Declarations are recorded.

15.5.6 Each Owner shall have a perpetual easement, appurtenant to his Unit, for the use of any additional Common Areas described in any recorded Supplemental Declaration, for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Owners (also known as Limited Areas) of

specific Units as may be provided in any such Supplemental Declaration.

15.5.7 The recording of any such Supplemental Declaration shall not alter the amount of the lien for expenses assessed to or against a Unit prior to such recording.

15.5.8 Each Owner, by acceptance of the deed conveying his Unit, agrees for himself and all those claiming under him, including mortgagees, that this Declaration and each Supplemental Declaration are and shall be deemed to be in accordance with the Act and for purposes of this Declaration and the Act, any changes in the respective Percentage Interest in the Common Areas as set forth in each such Supplemental Declaration shall be deemed to be made by agreement of all Owners.

15.5.9 Each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this Paragraph 15 to comply with the Act as it may be amended from time to time.

16. *UNIT VOTING RIGHTS.* The Percentage Interest appertaining to each separate Unit in the Common Areas and Limited Areas (as set forth in the Percentage Interest Schedule, as adjusted from time to time) of the Property shall be permanent and shall not be altered or changed without the unanimous written consent of all the Owners, and then only if in compliance with all requirements of the Act. In the event additional Buildings and/or Units are constructed, the Percentage Interest Schedule shall be deemed adjusted to reflect the square footage of each Unit as a percentage of all then-constructed Units, and Declarant shall be authorized (at such times, and from time to time, as Declarant deems appropriate) to execute and record supplements or amendments to this Declaration reflecting such adjustments. Each Owner shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Areas applicable to the Owner's Unit percentage of ownership as designated in the Percentage Interest Schedule, or as otherwise modified by the terms and conditions of this Declaration. The Bylaws further set forth the voting rights and procedure. Each Owner shall be permitted to designate a written proxy to vote on all matters.

17. *REAL ESTATE TAXES.* Real estate taxes are to be separately assessed and taxed to each Unit as provided in the Act. In the event that for any year real estate taxes are not separately assessed and taxed to each Unit, but are assessed and taxed on the Property as a whole, then each Owner shall pay his proportionate share of such taxes to the extent attributable to the Property in accordance with his respective Percentage Interest.

18. *UTILITIES.* Each Owner shall pay for the Owner's own utilities which are separately metered. Utilities which are not separately metered shall be treated as and paid as part of the Common Expenses, unless otherwise agreed by a majority of the Percentage Vote of the Co-Owners.

19. *EASEMENT FOR UTILITIES AND PUBLIC AND QUASI-PUBLIC VEHICLES.* All public and quasi-public vehicles, including but not limited to police, fire and other emergency vehicles, trash and garbage collection, post office vehicles, and privately owned delivery and maintenance vehicles, shall have the right to enter upon the streets, Common Areas, and Limited Areas in the performance of their duties and services. An easement is also granted to all utilities and their agents for ingress, egress, installation, replacement, repairing, and maintaining of such utilities, including but not limited to water, sewer, gas, telephones, cable television and communications, and electricity on the Property; provided, however, nothing in this Declaration shall permit the installation of sewers, electric lines, water lines, telephone lines, cable television lines, or other utilities, except as

contemplated by the Plans or as subsequently may be approved by the Board of Directors. By virtue of this easement, the electric and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the property and to affix and maintain electric and telephone wires, circuits, and conduits on, above, across, and under the roofs and exterior walls of the Buildings.

20. *OWNERS ASSOCIATION.*

20.1 Subject to any rights of Declarant reserved in the Declaration or Bylaws, the maintenance, repair, upkeep, replacement, administration, management, and operation of the Property shall be performed by the Association. Each Owner of a Unit shall, automatically upon becoming an Owner of a Unit, be and become a member of the Association, and shall remain a member until such time as his ownership ceases, but membership shall terminate when such person ceases to be an Owner, and will automatically be transferred to the new Owner.

20.2 The Association shall elect a Board of Directors annually (except for the Initial Board of Directors described in the Bylaws) in accordance with and as prescribed by the Bylaws. Each Owner shall be entitled to cast his Percentage Vote for the election of the Board of Directors, except for such Initial Board of Directors who shall serve for the period provided in the Bylaws. Each person serving on the Initial Board of Directors, whether as an original member or as a member appointed by Declarant to fill a vacancy, shall be deemed a member of the Association and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board of Directors shall be deemed or considered a member of the Association nor an Owner of a Unit for any other purpose (unless such person is actually an Owner of a Unit and, therefore, a member of the Association). The Board of Directors shall be the governing body of the Association, representing all of the Owners in providing for the management, administration, operation, maintenance, repair, replacement, and upkeep of the Property, exclusive of the Units.

21. *MAINTENANCE, REPAIRS AND REPLACEMENTS.*

21.1 *Responsibility for Expenses.* Each Owner shall, at the Owner's expense, be responsible for the maintenance, repairs, decoration, and replacement within his own Unit, and the Limited Areas reserved for such Owner's Unit's use and as further provided in the Bylaws. Each Owner shall promptly repair any defect occurring in his Unit which, if not repaired, might adversely affect the Building, any Unit, or any Common Area or Limited Area. Maintenance, repairs, replacements, and upkeep of the Common Areas and Limited Areas shall be controlled by the Association and shall be chargeable by the Association to all Units, or to fewer than all Units for Limited Areas serving those Units, as the Declaration, Bylaws, and Rules and Regulations of the Condominium shall provide. The Board of Directors shall adopt such rules and regulations concerning maintenance, repairs, use, and enjoyment of the Common Areas and Limited Areas as it deems appropriate, and may amend and modify the same from time to time as it deems advisable, necessary, or appropriate. The Association shall have the duty of determining, by estimate or otherwise, and collecting the amount of, Common Expenses necessary to maintain, repair, or replace equipment and facilities, and administer all improvements constituting a part of the Common Areas. The duties of the Association shall be more fully set out in the Bylaws, consistent with the following general statement of the obligations of the Association:

21.2 Annually, on or before the date of the regular annual meeting of the Association, the Association shall notify the Owner of each Unit of the amount of the estimated annual

assessment, and shall collect the applicable Percentage Interest of the assessment amount from each Owner on not less than a monthly basis. The estimated Common Expenses shall be computed on a calendar year basis.

21.3 The Association shall maintain and establish a reserve fund for deferred maintenance, repairs, replacements, administration costs, payment of a manager, other employees and agents, payment of insurance premiums, and other matters deemed appropriate. Common Expenses shall be deemed to include, but shall not be limited to, the insurance premium for all insurable improvements, administration and management expenses, the cost of maintenance of the recreation areas and other facilities, and equipment used in connection with the Common Areas. It shall also include all other maintenance, repair, and upkeep of the Common Areas. All Owners shall be responsible and liable for a pro-rata share of the Common Expenses as provided for in this Declaration and the Bylaws.

21.4 It is expressly provided that the expense of maintenance, repair, and upkeep of the Limited Areas shall be borne exclusively by the Owners of the Units entitled to the use and enjoyment of such Limited Areas. Except as otherwise provided in the Declaration, Bylaws, and Rules and Regulations of the Association, it shall be the duty of the Association to provide all such maintenance, repair, and upkeep of the Limited Areas. The Association shall have the further responsibility of collecting the expenses of the same incurred with respect to any such Limited Areas from the Unit Owner or Owners entitled to the exclusive use and enjoyment of such Limited Areas. The Association may establish uniform reserves for this purpose. It shall be understood, however, that any damage caused by an Owner, tenant of an Owner, or guest or invitee of an Owner through said party's negligence, wear, or tear, or by his willful acts, shall be the responsibility of the Owner, and a lien against the Unit of such Owner, as subsequently provided, shall exist with respect to any such damage.

21.5 The Board of Directors shall have the sole and exclusive power, authority, and obligation to determine all matters affecting assessments, except as may otherwise be provided for in this Declaration and the Bylaws. Such power, authority, and obligation shall expressly include, but shall not be limited to, the allocation of all assessments between Units and Unit Owners, the determination of whether property making up any portion of the Condominium constitutes Common Areas or Limited Areas as provided for in the Declaration and Bylaws, and the determination of whether expenditures with respect to any such property or affecting the same is assessable against all or fewer than all the Owners. Such determinations by the Board shall be binding upon all parties and all Owners unless it shall be shown that said determinations were made in bad faith with an intent to prefer certain Units or Owners over others, or were made in contravention of the express terms and conditions of the Declaration and the Bylaws.

22. *ALTERATIONS, ADDITIONS AND IMPROVEMENTS.* Except as may be otherwise provided in the Declaration or Bylaws, no Owner shall make any alterations or additions to any Common Areas or Limited Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alterations to the Owner's respective Unit and within the boundaries of the Owner's Unit which would affect the safety or structural integrity of the Building in which the Unit is located. Any two (2) Units may be interconnected through a common wall, provided the title to the two (2) Units is in the name of (1) person or husband and wife or corporation or other legal entity. The plans creating the opening and joinder of two (2) Units must be approved by the Declarant or, if Declarant owns no further Units, such approvals must be given by the Board of

Directors, which approval shall not be unreasonably withheld provided the integrity of the subject Building is not compromised.

23. *INSURANCE.* The Co-Owners, through the Association, shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring the Property in an amount consonant with the full replacement value of the improvements which, in whole or in part, comprise the Common Areas. If the Board of Directors can obtain such coverage for reasonable amounts, they shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the type of insurance required above. If deemed advisable by the Board of Directors, the Board of Directors may cause such full replacement value to be determined by a qualified appraiser. The cost of any such appraisal shall be a Common Expense. Such insurance coverage shall be for the benefit of each Owner and, if applicable, the Mortgagee of each Owner upon the following terms and conditions:

23.1 All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Association shall be paid to the Association or to the Board of Directors, who shall act as the insurance trustees and hold such proceeds for the benefit of the insured parties;

23.2 The sole duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated in this Declaration, and for the benefit of the Owners and their respective Mortgagees;

23.3 The proceeds shall be used or disbursed by the Association or Board of Directors, as appropriate, only in accordance with the provisions of this Declaration. The interest of each damaged Owner in the trust fund of insurance proceeds shall be the ratio of the direct damage of each damaged Owner to the damages of all Owners directly damaged by an event insured under the said master casualty insurance policy. Such master casualty insurance policy, and "all risk" coverage, if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Association, the Board of Directors, its agents and employees, Owners, their respective agents, and guests, and (b) waives any defense based on the invalidity arising from the acts of the insured, and providing further, if the Board of Directors is able to obtain such insurance upon reasonable terms, (i) that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Owners as permitted in this Declaration, and (ii) that notwithstanding any provision in this Declaration giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 24 of this Declaration;

23.4 The Co-Owners, through the Association, shall also purchase a master comprehensive public liability insurance policy in such an amount or amounts as the Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Association, the Board of Directors, any committee or organization of the Association or Board of Directors, any managing agent appointed or employed by the Association, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to all Owners of Units and all other persons entitled to occupy any Unit or other portions of the Co-Owners, through the Association, shall also obtain any other insurance required by law to be maintained, including but not limited to workers' compensation insurance, and such other

insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including but not limited to, liability insurance on vehicles owned by the Association and officers' and directors' liability policies. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Association, the Board of Directors, and any managing agent acting on behalf of the Association;

23.5 Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under policies purchased by the Board of Directors;

23.6 The premiums for all such insurance described above shall be paid by the Association as part of the Common Expenses;

23.7 When any such policy of insurance described above has been obtained by or on behalf of the Association, written notice of the obtainment of such policy, and of any subsequent changes or termination of such policy, shall be promptly furnished to each Owner or Mortgagee whose interest may be affected, which notice shall be furnished by the officer of the Association who is required to send notices of meetings of the Association;

23.8 In no event shall any distribution of proceeds be made by the Board of Directors directly to an Owner where there is a mortgagee endorsement on the certificate of insurance. In such event, any remittances shall be to the Owner and the Owner's Mortgagee jointly;

23.9 Each Owner shall be solely responsible for and may obtain such additional insurance as the Owner deems necessary or desirable at the Owner's own expense affording coverage upon the personal property, the contents of the Owner's Unit (including but not limited to, all floor, ceiling and wall coverings and fixtures, betterments, and improvements installed by the Owner) and the Owner's personal property stored elsewhere on the property, and for the Owner's personal liability, but all such insurance shall contain the same provisions for waiver of subrogation as referred to in the foregoing provisions for the master casualty insurance policy to be obtained by the Association;

23.10 Each Owner may obtain casualty insurance at the Owner's own expense upon the Owner's Unit, but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Association;

23.11 If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Association pursuant to this paragraph due to pro-ration of insurance purchased by an Owner under this paragraph, the Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Association to be distributed as provided in this Declaration.

24. *CASUALTY AND RESTORATION.*

24.1 Except as subsequently provided, damage to or destruction of the Building due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Association, and the proceeds of insurance, if any, shall be applied for that purpose; provided, however, that repair and reconstruction shall not be compulsory in the event of complete destruction of the Building (as that phrase is defined below), and shall only be done in accordance with the provisions of this Paragraph 24. As used in this Paragraph 24, the term "complete destruction of

the Building" means a determination, made by a two-thirds (2/3) Percentage Vote of all Co-Owners at a special meeting of the Association called for the purpose of making such determination, that total destruction of the Building has occurred. A special meeting of the Association shall be called and held within ninety (90) days after any fire or any other casualty or disaster damaging or destroying the Building for the purpose of making the determination of whether or not there has been a complete destruction of the Building. If such a special meeting is not called and held within such ninety (90) day period, or if the determination of whether or not there has been a complete destruction of the Building has not been made within such ninety (90) day period, then it shall be conclusively presumed that the Co-Owners determined that there was not a complete destruction of the Building, and the Association shall proceed with repair and reconstruction as provided in this Paragraph 24.

24.2 If the insurance proceeds received by the Association as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction, or in the event there are no insurance proceeds, and if the Property is not removed from the Condominium, the cost for restoring the damage and repairing and reconstructing the Building (or the costs in excess of insurance proceeds received, if any) shall be paid by all of the Owners of Units in proportion to the ratio that the Percentage Interest of each Unit bears to the total Percentage Interest of all Units. Any such amounts payable by the Co-Owners shall be assessed as part of the Common Expenses, and shall constitute a lien from the time of assessment as provided herein and in the Act.

24.3 For purposes of subparagraphs 24.1 and 24.2 above, repair, reconstruction, and restoration shall mean construction or rebuilding of the Units to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

24.4 If, under subparagraph 24.1 above, it is determined by the Co-Owners at the special meeting of the Association that there has been a complete destruction of the Building, the Co-Owners shall, at the same special meeting, vote to determine whether or not such complete destruction of the Building shall be repaired and reconstructed. The Building shall not be reconstructed or repaired if it is the determination of the Co-Owners at said special meeting that there has been a complete destruction of the Building unless by a two-thirds (2/3) Percentage Vote of all Co-Owners a decision is made to rebuild, reconstruct, and repair the Building. If two-thirds (2/3) of all of the Co-Owners (by Percentage Vote) decide that the Building is to be rebuilt, reconstructed, and repaired, the insurance proceeds, if any, received by the Association shall be applied and any excess of construction costs over insurance proceeds, if any, received by the Association shall be contributed and paid as provided in subparagraphs 24.1 and 24.2.

24.5 If, in any case of the complete destruction of the Building, less than two-thirds (2/3) of all of the Co-Owners (by Percentage Vote) decide in favor of the rebuilding, reconstruction, and repair of the Building, the Building shall not be rebuilt, reconstructed or repaired, and in such event, the Property shall be deemed and considered as to be removed from the provisions of the Act and in accordance with the Act:

24.5.1 The Property shall be deemed to be owned in common by the Unit Owners;

24.5.2 The undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;

24.5.3 Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the Unit Owner in the Property; and

24.5.4 The Property shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, if any, shall be considered as one (1) fund and shall be divided among all the Unit Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the Property, after first paying out of the respective shares of the Unit Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Property owned by each Unit Owner.

24.5.5 Immediately after a fire or other casualty causing damage to any property for which the Board of Directors or the Association has the responsibility of maintenance and repair, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desire.

24.5.6 The proceeds of insurance collected on account of any such casualty, and the sums received by the Board of Directors from collections of assessments against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed, if the Building is to be reconstructed and repaired, in payment of the costs of reconstruction and repair in the following manner:

24.5.7 If the amount of the estimated cost of reconstruction and repair is less than Fifty Thousand Dollars ($50,000.00), then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors; provided, however, that upon request of a Mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided in the following paragraph 24.7.2.

24.5.8 If the estimated cost of reconstruction and repair of any Building, or other improvements, is more than Fifty Thousand Dollars ($50,000.00), then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Indiana and employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, sub-contractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, (i) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (ii) that there, is no other outstanding indebtedness known to the said architect for the services and materials described; and (iii) that the costs as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of construction fund remaining after payment of the sum so requested.

24.5.9 Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action

by the Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the Buildings were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Buildings stand.

24.5.10 In the event that there is any surplus of monies in the construction of the Condominium after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums may be retained by the Board of Directors as a reserve or may be used in the maintenance and operation of the Common Areas, or, in the discretion of the Board of Directors, it may be distributed to the Owners in the Buildings affected and their Mortgagees who are the beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against another Owner for committing willful or malicious damage.

25. *COVENANTS AND RESTRICTIONS.* The covenants and restrictions applicable to the use and enjoyment of the Units are set forth in the Bylaws. These covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the Property and inure to the benefit of and be enforceable by any Owner, the Co-Owners or by the Association. Present or future Owners shall be members of the Association and shall be entitled to injunctive relief against any violation of these provisions and shall be entitled to damages for any injuries resulting from any violations of the Bylaws, but there shall be no right of reversion or forfeiture of title resulting from such violation.

26. *AMENDMENT OF DECLARATION.* Except as otherwise provided in this Declaration, amendments to the Declaration shall be proposed and adopted in the following manner:

26.1 *Notice.* Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered.

26.2 *Resolution.* A resolution to adopt a proposed amendment may be proposed by the Board of Directors or by Owner(s) having a majority of the Percentage Vote.

26.3 *Meeting.* The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with, the provisions of the Bylaws.

26.4 *Adoption.* Subject to the provisions of the Bylaws and the rights of Declarant described therein, any proposed amendment to this Declaration must be approved by a vote of not less than seventy-five percent (75%) in the aggregate of the Percentage Vote. In the event any Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions of the Bylaws.

26.5 *Approval by Eligible Mortgage Holders.* Amendments of a material nature must be approved by eligible mortgage holders representing a majority of the Percentage Votes of Units that are subject to mortgages held by eligible holders. An eligible mortgage holder is any holder which has given prior written notice of its interest to the Board of Directors, in accordance with the Bylaws. A change in any of the following would constitute a material amendment:

26.5.1 Voting rights.

26.5.2 Subordination of assessment liens.

26.5.3 Reserves for maintenance, repair or replacement of common areas.

26.5.4 Reallocation of percentage interests.

26.5.5 Insurance or fidelity bond requirements.

26.5.6 Leasing of Units.

26.5.7 Restrictions on sale of Units.

26.5.8 Any provisions that expressly benefit mortgage holders, insurers or guarantors.

26.5.9 Method by which assessments or assessment liens are determined.

26.6 *Special Amendments.* Except as otherwise contemplated herein (including, without limitation, in accordance with Paragraphs 15 and 16 of this Declaration), no amendment to this Declaration shall be adopted which changes (i) the Percentage Interest with respect to any Unit or the applicable share of any Owner's liability for Common Expenses or rights in any Limited Areas, without the approval of one hundred percent (100%) of the Co-Owners and all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the Bylaws; or (ii) the provisions of Paragraph 24 of this Declaration with respect to reconstruction or repair in the event of fire or any other casualty or disaster, without the approval of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the Bylaws.

26.7 *Recording.* Each amendment to the Declaration shall be executed by either the duly authorized representative of the Declarant or (if applicable) the President and Secretary of the Association, and recorded in the Office of the Recorder of Hamilton County, Indiana, and such amendment shall not become effective until so recorded. Also, the Declarant reserves the right and power, prior to the date Declarant owns not more than one (1) Unit, to record a special amendment ("Special Amendment") to this Declaration which amends this Declaration (i) to comply with federal regulatory requirements for lending institutions in order to induce such lending institutions to make, purchase, sell, insure or guarantee first mortgages secured by an interest in a Unit; (ii) to bring this Declaration into compliance with the Act, or (iii) to correct clerical or typographical errors in this Declaration or in any Exhibit hereto or any supplement or Amendment thereto. In furtherance of all rights and powers in this subparagraph, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, or other evidence of obligation, or other instrument affecting a Unit and the acceptance of such instrument shall be deemed to be a grant and acknowledgment of, and a consent to reservation of, the power of the Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds title to more than one (1) Unit.

27. *ACCEPTANCE AND RATIFICATION; MISCELLANEOUS*

27.1 *Compliance.* All present and future Owners, Mortgagees, tenants, and occupants of the Units shall be subject to and shall comply with the provisions of the Declaration, the Act, the Bylaws, and the Rules and Regulations as adopted by the Board of Directors as each may be amended or supplemented from time to time. The acceptance of a contract to purchase, deed of conveyance or act of occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Act, the Bylaws, and Rules and Regulations and as each may be amended or supplemented from time to time are accepted and ratified by such purchaser, Owner, tenant, or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in a Unit or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage, or lease. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy, or control a Unit or Units or any part of the Property in any manner shall be subject to the applicable Declaration, the Act, the Bylaws, and the Rules and Regulations as each may be amended or supplemented from time to time.

27.2 *Costs and Attorneys' Fees.* In any proceeding arising because of failure of an Owner to make any payments, take any action, or refrain from taking any action required by this Declaration, the Bylaws, or the Rules and Regulations adopted pursuant to the Bylaws, as each may be amended from time to time, the Association shall be entitled to recover its costs and reasonable attorneys' fees incurred in connection with such default or failure.

27.3 *Waiver.* No Owner may become exempt from liability for such Owner's contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or Limited Areas or by abandonment of the Owner's Unit.

27.4. *Severability Clause.* The invalidity of any covenant, restriction, condition, limitation or other provisions of this Declaration or the Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration or the By-Laws.

27.5 *Pronouns.* Any reference to the masculine, feminine, or neuter gender shall, unless the context clearly requires the contrary, be deemed to refer to and include the masculine, feminine, and neuter genders. Words in the singular shall include and refer to the plural, and vice versa, as appropriate.

28. *NEGLIGENCE.* Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by the Owners negligence or by that of any member of the Owner's family or guests, employees, agents, or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by the Owner's use, misuse, occupancy or abandonment, of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

29. *TRACT B ACCESS EASEMENT.* Declarant hereby declares, creates, makes, and reserves the following easements appurtenant to Tract B for the benefit of Tract B, the owner of Tract B, and such owner's successors, assigns, residents, guests, invitees and employees: (a) a perpetual and non-exclusive easement for vehicular ingress and egress to and from Tract B and Little Chicago Road over and across the interior road identified as Shoreline Parkway on the Plan; and (b) a perpetual and non-exclusive easement for pedestrian ingress and egress to and from Tract B and

Little Chicago Road over and across the sidewalk areas associated with Shoreline Parkway. The Association shall be entitled to interrupt temporarily the use of Shoreline Parkway and its associated sidewalk areas for repair or maintenance purposes. The rights and easements created by this paragraph shall not be used in a manner which damage or overburden Shoreline Parkway and its associated sidewalk areas, nor shall such use interfere with the use and enjoyment of Tract A by the Assoication or any Unit Owner.

[Signatures and Notary Block Follow on Page 25]

[Remainder of Page Intentionally Left Blank]

FIRST AMERICAN

IN WITNESS WHEREOF, the undersigned Declarant has caused this Declaration to be executed the day and year first above written.

"DECLARANT"

HARBOUR TOWN VENTURES II, LLC
an Indiana limited liability company

By: House Investments Capital Markets VII, LLC
an Indiana limited liability company,
its Manager

By: Michael D Emkes
Michael D. Emkes, Member

ATTEST:

By: Stephanie A Crawford
Printed: Stephanie A. Crawford

STATE OF INDIANA
COUNTY OF Hamilton

Before me, a Notary Public in and for said County and State, personally appeared Michael D. Emkes, the duly authorized Member of House Investments Capital Markets VII, LLC, in its capacity as Manager of Harbour Town Ventures II, LLC, who acknowledged execution of the foregoing Declaration of Easements, Restrictions and Covenants for Harbour Town Condominiums, for and on behalf of such limited liability company, and who, having been duly sworn stated that the representations therein contained are true.

WITNESS my hand and Notarial Seal this 16th day of January, 2008.

Monica Barnes
Notary Public

Resident of Marion County

My Commission Expires: Nov. 16 2010

Monica Barnes
Printed Name

This document prepared by D. Bryan Weese, Attorney-at-Law, Bingham McHale LLP, 2700 Market Tower, 10 W. Market Street, Indianapolis, Indiana 46204-4900.

Exhibit "A"

To Declaration of Easements, Restrictions and Covenants for Harbour Town Condominiums

Legal Description of Tract A / Property

A part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East in Hamilton County, Indiana, being described as follows:

Beginning on the West line of the said Quarter Section, South 00 degrees 14 minutes 20 seconds West 360.00 feet from the Northwest corner of the said Quarter Section; thence South 89 degrees 45 minutes 40 seconds East 40.00 feet; thence South 74 degrees 00 minutes 00 seconds East 120.00 feet; thence South 90 degrees 00 minutes 00 seconds East 60.00 feet; thence South 19 degrees 35 minutes 46 seconds East 167.00 feet; thence South 15 degrees 35 minutes 10 seconds West 100.00 feet; thence South 12 degrees 15 minutes 42 seconds East 112.00 feet; thence South 71 degrees 04 minutes 28 seconds East 75.00 feet; thence South 00 degrees 14 minutes 20 seconds West 128 feet, more or less, to the shore line of Morse Reservoir (with the water level thereof at an elevation of 810.00 feet above mean sea level); thence to the right, Southwesterly along the meandering shore line to a point which lies South 89 degrees 45 minutes 40 seconds East 40 feet, more or less, from a point on the West line of the said Quarter Section, said point on the West line lies South 00 degrees 14 minutes 20 seconds West 1010 feet from the Northwest corner of the said Quarter Section; thence North 89 degrees 45 minutes 40 seconds West 40 feet, more or less, to the West line of the said Quarter Section; thence North 00 degrees 14 minutes 20 seconds East along the West line of the said Quarter Section 650.00 feet to the Point of Beginning.

Exhibit "B"

To Declaration of Easements, Restrictions and Covenants for
Harbour Town Condominiums

Legal Description of Tract B / Expansion Parcel

Parcel I:

Part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East in Hamilton County, Indiana, described as follows:

Beginning at a point on the North line of said Quarter Section 681.46 feet, North 89 degrees 10 minutes 55 seconds East of the Northwest corner of said Quarter; thence South 00 degrees 49 minutes 05 seconds East 160.00 feet; thence South 17 degrees 38 minutes 43 seconds West 152.98 feet; thence South 65 degrees 00 minutes 00 seconds West 75.00 feet; thence South 25 degrees 00 minutes 00 seconds East 320.00 feet; thence South 75 degrees 00 minutes 00 seconds East 90 feet, more or less, to the shore line of Morse Reservoir, as said shore line would have been established December 30, 1960, plus accretion, minus erosion, with the water level thereof at an elevation of 810.00 feet above mean sea level; thence Easterly, meandering along said shore line to its point of intersection with the deeded property line (the next six lines being contiguous with said property line); thence North 90 degrees 00 minutes 00 seconds East 110.00 feet, more or less; thence North 23 degrees 30 minutes 00 seconds East 175.00 feet; thence North 79 degrees 00 minutes 00 seconds West 225.00 feet; thence North 17 degrees 30 minutes 00 seconds West 425.00 feet; thence North 00 degrees 49 minutes 05 seconds West 40.00 feet to a point on the North line of said Quarter Section; thence South 89 degrees 10 minutes 55 seconds West 460.00 feet to the Point of Beginning.

Parcel II:

Part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East in Hamilton County, Indiana, described as follows:

Beginning on the West line of said Quarter, South 00 degrees 14 minutes 20 seconds West 360.00 feet from the Northwest corner of the said Quarter Section; thence South 89 degrees 45 minutes 40 seconds East 40.00 feet; thence South 74 degrees 00 minutes 00 seconds East 120.00 feet; thence South 90 degrees 00 minutes 00 seconds East 275.00 feet; thence North 65 degrees 00 minutes 00 seconds East 155.00 feet; thence South 25 degrees 00 minutes 00 seconds East 320.00 feet; thence South 75 degrees 00 minutes 00 seconds East 90 feet, more or less, to the shore line of Morse Reservoir, as said shore line would have been established December 30, 1960, plus accretion and minus erosion (with the water level thereof at an elevation of 810.00 feet above mean sea level); thence to the right, Southerly along the meandering shore line to a point which lies South 89 degrees 45 minutes 40 seconds East 40 feet, more or less, from a point on the West line of said Quarter Section, said point on the West line lies South 00 degrees 14 minutes 20 seconds West 1010.00 feet from the Northwest corner of said Quarter Section; thence North 89 degrees 45 minutes 40 seconds West 40 feet, more or less, to the West line of the said Quarter Section; thence North 00 degrees 14 minutes 20 seconds East along the West line of the said Quarter Section 650.00 feet to the Place of Beginning.

Less and except the following described tract:

A part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East in Hamilton County, Indiana, being described as follows:

Beginning on the West line of the said Quarter Section, South 00 degrees 14 minutes 20 seconds West 360.00 feet from the Northwest corner of the said Quarter Section; thence South 89 degrees 45 minutes 40 seconds East 40.00 feet; thence South 74 degrees 00 minutes 00 seconds East 120.00 feet; thence South 90 degrees 00 minutes 00

seconds East 60.00 feet; thence South 19 degrees 35 minutes 46 seconds East 167.00 feet; thence South 15 degrees 35 minutes 10 seconds West 100.00 feet; thence South 12 degrees 15 minutes 42 seconds East 112.00 feet; thence South 71 degrees 04 minutes 28 seconds East 75.00 feet; thence South 00 degrees 14 minutes 20 seconds West 128 feet, more or less, to the shore line of Morse Reservoir (with the water level thereof at an elevation of 810.00 feet above mean sea level); thence to the right, Southwesterly along the meandering shore line to a point which lies South 89 degrees 45 minutes 40 seconds East 40 feet, more or less, from a point on the West line of the said Quarter Section, said point on the West line lies South 00 degrees 14 minutes 20 seconds West 1010.00 feet from the Northwest corner of the said Quarter Section; thence North 89 degrees 45 minutes 40 seconds West 40 feet, more or less, to the West line of the said Quarter Section; thence North 00 degrees 14 minutes 20 seconds East along the West line of the said Quarter Section 650.00 feet to the Point of Beginning.

Parcel III:

Part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East, Hamilton County, Indiana, described as follows:

Commencing at the Northwest corner of the said Quarter Section; thence South 00 degrees 14 minutes 20 seconds West along the West line of the said Quarter Section 360.00 feet; thence South 89 degrees 45 minutes 40 seconds East 40.00 feet; thence South 74 degrees 00 minutes 00 seconds East 120.00 feet to the PLACE OF BEGINNING; thence South 90 degrees 00 minutes 00 seconds East 275.00 feet; thence North 65 degrees 00 minutes 00 seconds East 230.00 feet; thence North 17 degrees 38 minutes 43 seconds East 152.98 feet; thence North 00 degrees 49 minutes 05 seconds West 160.00 feet to a point on the North line of the said Quarter Section, said point lies North 89 degrees 10 minutes 55 seconds East 681.46 feet from the Northwest corner of the said Quarter Section; thence South 89 degrees 10 minutes 55 seconds West 85.00 feet; thence South 00 degrees 00 minutes 00 seconds 100.00 feet; thence South 05 degrees 00 minutes 00 seconds West 147.43 feet; thence South 65 degrees 00 minutes 00 seconds West 189.04 feet; thence South 90 degrees 00 minutes 00 seconds West 231.07 feet; thence South 20 degrees 00 minutes 00 seconds West 79.81 feet to the Place of Beginning.

Exhibit "C"

To Declaration of Easements, Restrictions and Covenants for Harbour Town Condominiums

Legal Description of the Combined Real Estate
[Includes Tract A and Tract B]

Parcel I:

Part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East in Hamilton County, Indiana, described as follows:

Beginning at a point on the North line of said Quarter Section 681.46 feet, North 89 degrees 10 minutes 55 seconds East of the Northwest corner of said Quarter; thence South 00 degrees 49 minutes 05 seconds East 160.00 feet; thence South 17 degrees 38 minutes 43 seconds West 152.98 feet; thence South 65 degrees 00 minutes 00 seconds West 75.00 feet; thence South 25 degrees 00 minutes 00 seconds East 320.00 feet; thence South 75 degrees 00 minutes 00 seconds East 90 feet, more or less, to the shore line of Morse Reservoir, as said shore line would have been established December 30, 1960, plus accretion, minus erosion, with the water level thereof at an elevation of 810.00 feet above mean sea level; thence Easterly, meandering along said shore line to its point of intersection with the deeded property line (the next six lines being contiguous with said property line); thence North 90 degrees 00 minutes 00 seconds East 110.00 feet, more or less; thence North 23 degrees 30 minutes 00 seconds East 175.00 feet; thence North 79 degrees 00 minutes 00 seconds West 225.00 feet; thence North 17 degrees 30 minutes 00 seconds West 425.00 feet; thence North 00 degrees 49 minutes 05 seconds West 40.00 feet to a point on the North line of said Quarter Section; thence South 89 degrees 10 minutes 55 seconds West 460.00 feet to the Point of Beginning.

Parcel II:

Part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East in Hamilton County, Indiana, described as follows:

Beginning on the West line of said Quarter, South 00 degrees 14 minutes 20 seconds West 360.00 feet from the Northwest corner of the said Quarter Section; thence South 89 degrees 45 minutes 40 seconds East 40.00 feet; thence South 74 degrees 00 minutes 00 seconds East 120.00 feet; thence South 90 degrees 00 minutes 00 seconds East 275.00 feet; thence North 65 degrees 00 minutes 00 seconds East 155.00 feet; thence South 25 degrees 00 minutes 00 seconds East 320.00 feet; thence South 75 degrees 00 minutes 00 seconds East 90 feet, more or less, to the shore line of Morse Reservoir, as said shore line would have been established December 30, 1960, plus accretion and minus erosion (with the water level thereof at an elevation of 810.00 feet above mean sea level); thence to the right, Southerly along the meandering shore line to a point which lies South 89 degrees 45 minutes 40 seconds East 40 feet, more or less, from a point on the West line of said Quarter Section, said point on the West line lies South 00 degrees 14 minutes 20 seconds West 1010.00 feet from the Northwest corner of said Quarter Section; thence North 89 degrees 45 minutes 40 seconds West 40 feet, more or less, to the West line of the said Quarter Section; thence North 00 degrees 14 minutes 20 seconds East along the West line of the said Quarter Section 650.00 feet to the Place of Beginning.

Parcel III:

Part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East, Hamilton County, Indiana, described as follows:

Commencing at the Northwest corner of the said Quarter Section; thence South 00 degrees 14 minutes 20 seconds West along the West line of the said Quarter Section 360.00 feet; thence South 89 degrees 45 minutes 40 seconds East 40.00 feet; thence South 74 degrees 00 minutes 00 seconds East 120.00 feet to the PLACE OF BEGINNING; thence South 90 degrees 00 minutes 00 seconds East 275.00 feet; thence North 65 degrees 00 minutes 00 seconds East 230.00 feet; thence North 17 degrees 38 minutes 43 seconds East 152.98 feet; thence North 00 degrees 49 minutes 05 seconds West 160.00 feet to a point on the North line of the said Quarter Section, said point lies North 89 degrees 10 minutes 55 seconds East 681.46 feet from the Northwest corner of the said Quarter Section; thence South 89 degrees 10 minutes 55 seconds West 85.00 feet; thence South 00 degrees 00 minutes 00 seconds 100.00 feet; thence South 05 degrees 00 minutes 00 seconds West 147.43 feet; thence South 65 degrees 00 minutes 00 seconds West 189.04 feet; thence South 90 degrees 00 minutes 00 seconds West 231.07 feet; thence South 20 degrees 00 minutes 00 seconds West 79.81 feet to the Place of Beginning.

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Exhibit "D"
To Declaration of Easements, Restrictions and Covenants for
Harbour Town Condominiums

BYLAWS
OF
HARBOUR TOWN CONDOMINIUMS

AND OF

THE HARBOUR TOWN
CONDOMINIUM OWNER'S ASSOCIATION, INC.

ARTICLE I

IDENTIFICATION AND APPLICABILITY

Section 1.01. Identification and Adoption. These Bylaws are adopted simultaneously with the execution of a certain Amended and Restated Declaration of Restrictions, Covenants and Easements for Harbour Town Condominiums (the "Declaration") creating Harbour Town Condominiums, to which these Bylaws are attached and made a part. The Declaration is incorporated by this reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these Bylaws. The provisions of these Bylaws shall apply to the Property and the administration and conduct of the affairs of the Condominiums and the Association.

Section 1.02. Incorporation of Defined Terms from Declaration. The capitalized terms used herein and not elsewhere defined shall have the same meanings ascribed to them in the Declaration.

Section 1.03. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Unit or any part of the Property shall be subject to the restrictions, terms, and conditions set forth in the Declaration, these Bylaws, the Act, and to any rules and regulations adopted by the Board of Directors.

ARTICLE II

MEETINGS OF ASSOCIATION

Section 2.01. Purpose of Meetings. At least annually, and at such other times as may be necessary, the meetings of the Association shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Expenses, and for such other purposes as may be required by the Declaration, these Bylaws or the Act.

Section 2.02. Annual Meetings. The first annual meeting of the Association shall not be required until Declarant has conveyed a Unit to any Owner, and such meeting may be held within ninety (90) days following the recording of the Declaration and conveyance of a Unit; provided, however, that in no event shall the first annual meeting be held later than: (a) four (4) months after twenty-five percent

(25%) of the Units have been conveyed to Owners; or (b) four (4) years after the first Unit is conveyed to an Owner, whichever is earlier, and provided further that Declarant may, at any time after recording, call for the first annual meeting of the Association, and pursuant to such meeting, the Association shall assume the duties and responsibilities ascribed to it by the Declaration and these Bylaws. The date the Association assumes such duties shall be referred to as the "Applicable Date." Subsequent regular annual meetings of the Association shall be held as the Board of Directors may decide at the first meeting of the Board following the first annual meeting of the Association.

Section 2.03. Special Meetings. A special meeting of the members of the Association may be called by resolution of the Board of Directors or upon a written petition of Owners who have not less than a majority of the Percentage Vote; provided, however, that members of the Association owning a majority of the Percentage Interests shall be permitted to petition for a special meeting not more than once during any calendar year. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meetings. All meetings of the Association shall be held at any suitable place in Hamilton County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time, and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each member entitled to vote not less than seven (7) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Units and to one other address that each Owner may supply on a signed address card filed with the Secretary of the Board. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Association to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 8.01 of these Bylaws. Attendance at any meeting in person, by agent, or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) *Number of Votes.* Each Owner shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Areas and Limited Areas applicable to the Owner's Unit's Percentage Interest as stated in the Percentage Interest Schedule referenced in Paragraph 13 of the Declaration.

(b) *Multiple Owner.* Where the Owner of a Unit constitutes or consists of more than one person, or is a partnership, there shall be only one voting representative entitled to all of the Percentage Vote allocable to that Unit. At the time of acquisition of title to a Unit by more than one person or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Association an irrevocable proxy appointing one of such persons or partners as the voting representative for such Unit, which shall remain in effect until all of such parties constituting such multiple Owner or the partners in such partnership designate another voting representative in writing, or such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order of a court of competent jurisdiction, or the Owner no longer owns such Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section, which shall not constitute a permanent relinquishment of the right to act as voting representative of the Unit.

(c) *Voting by Corporation or Trust.* Where a corporation or trust is an Owner, or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the Board of Directors of such corporation may cast the vote to which the corporation is entitled. The secretary of the corporation or a trustee of the trust so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary of the Association stating who is authorized to vote on behalf of said corporation or trust.

(d) *Proxy.* An Owner may vote either in person or by a duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate the Owner's attorney-in-fact in writing, delivered to the Secretary of the Association prior to the commencement of the meeting.

(e) *Quorum.* Except where otherwise expressly provided in the Declaration, these By-Laws or the Act, the Owners representing a majority of the Percentage Vote shall constitute a quorum at all meetings. The term majority of Owners or majority of the Percentage Vote, as used in these Bylaws, shall mean the Owners entitled to at least fifty-one percent (51%) of the Percentage Vote in accordance with the applicable Percentage Interests set forth in the Declaration, as such may be amended from time to time.

(f) *Conduct of Annual Meeting.* The President of the Board of Directors shall act as Chairman of all annual meetings of the Association if the President is present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(i) *Reading of Minutes.* The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority of the Percentage Vote.

(ii) *Treasurer's Report.* The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.

(iii) *Budget.* The proposed budget for the ensuing fiscal year shall be presented to the Owners for approval or amendment unless otherwise changed by the Board of Directors. The fiscal year shall be on a calendar *year* basis.

(iv) *Election of Board of Directors.* Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least ten (10) days prior to the date of the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected, however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his

ballot. The Board may provide a method to assure secrecy of the ballot. The foregoing provisions are subject to the provisions of Section 3.02.

(v) *Other Business.* Other business requiring a vote may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the Percentage Vote. Any other general business matters of discussion that do not require a vote may be properly brought before the meeting by any Co-Owner in good standing.

(vi) Adjournment.

(g) *Conduct of Special Meeting.* The President of the Board of Directors shall act as Chairman of any special meetings of the Association if he is present. The Chairman shall call the meeting to order at the duly designated time and the only business to be discussed and acted upon at such meeting shall be consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Management and Number; Board Composition. The affairs of the Condominiums and the Association shall be governed and managed by the Board of Directors (collectively, the "Board" or "Directors," and individually, the "Director"). The Board shall be initially composed of three (3) persons selected by the Declarant, as described in Section 3.02 below. The total number of Directors shall at no time exceed seven (7). No person shall be eligible to serve as a Director unless he is, or is deemed in accordance with the Declaration to be, an Owner, excluding a person appointed by Declarant as provided in Section 3.02. At such time as fifty percent (50%) of the Units have been conveyed by Declarant to other Owners, a special meeting of all Owners shall be called by the Board to elect not less than one (1) additional Director to replace one of the Directors selected by Declarant to fill the original Board.

Section 3.02. Initial Board of Directors. The initial Board of Directors shall be three (3) persons (herein referred to as the "Initial Board"), all of whom have been or shall be appointed by Declarant. Declarant reserves the right to remove or replace any of such persons as Directors prior to the first annual or special meeting of the Association. Notwithstanding anything to the contrary contained in, or any other provisions of these Bylaws or the Declaration or the Act, the Initial Board, subject to the removal and replacement rights of Declarant, shall hold office until a special meeting of the Association for election of Directors, which shall be held not later than four (4) months after seventy-five percent (75%) of the Units have been conveyed by Declarant to other Owners, or five (5) years after the first Unit is conveyed by to an Owner, whichever is earlier (hereinafter referred to as the "Applicable Meeting Date"). In the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Meeting Date, every such vacancy shall be filled by a person appointed by Declarant, and such person shall subsequently be deemed a member of the Initial Board.

Section 3.03. Additional Qualifications. Where an Owner consists of more than one person or is a partnership, personal representative of an estate, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee or personal representative of an estate shall be eligible to serve on the Board of Directors.

Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02, the Board of Directors shall be elected at each annual meeting of the Association. The Initial Board of Directors shall be deemed to be elected as the Board of Directors for successive annual terms until the Applicable Meeting Date. Directors shall hold office for a term of one (1) year or until their successors have been duly elected and qualified. Subject to the provisions of Section 3.02, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.05. A Director filling a vacancy shall serve until the next annual meeting of the Association or until his successor has been duly elected and qualified.

Section 3.05. Removal of Directors. A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the Percentage Vote at a special meeting of the Owners duly called and constituted for such purpose. In such case, the Director's successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners or until the Director's successor is duly elected and qualified.

Section 3.06. Duties of the Board of Directors. The Board of Directors shall provide for the administration of, the maintenance, upkeep and replacement of the Common Areas and Limited Areas (unless the same are otherwise the responsibility or duty of Owners of Units), and the collection and disbursement of the Common Expenses. After the recording of the Declaration the Board may, on behalf of the Association, employ a property management agent (the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

(a) protection, surveillance, maintenance and replacement of the Common Areas and Limited Areas, unless the same are otherwise the responsibility or duty of Owners of Units; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Association, the Board or any Managing Agent may provide any on-site or roving guards, security service or security system for protection or surveillance;

(b) procuring utilities used in connection with operation of the Condominiums;

(c) arranging for removal of garbage and waste, and snow removal from the Common Areas;

(d) landscaping, painting, decorating, furnishing, maintenance and upkeep of the Common Areas and, where applicable, the Limited Areas;

(e) surfacing, paving and maintaining private streets, parking areas, recreational facilities and sidewalks;

(f) assessment and collection from the Owners of the Owners' pro rata shares of the Common Expenses, including: (i) determination of whether improvements are to Common or Limited Common Areas, pursuant to the terms and conditions of the Declaration and By-Laws; (ii) determination of whether expenses incurred with respect to the same are allocable to all or fewer than all the Owners; and (iii) the allocation of all expenses among the respective Units of the Condominium;

(g) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year, which shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;

(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by an Owner at any time during normal business hours; payment vouchers for all expenditures shall, prior to payment, be approved by a member of the Board or such other person (which may include the Managing Agent) to whom the Board may delegate such duty and authority;

(j) procuring and maintaining for the benefit of the Owners, the Association, and the Board the insurance coverage required under the Declaration and such other insurance coverage as the Board, in its sole discretion, may deem necessary or advisable;

(k) interpreting, applying and enforcing all restrictive covenants, rules and regulations established by the Declaration, Bylaws, or Board with respect to the Owners or users of Units within or relating to the use, maintenance or repair of the Property; and

(l) enforce the lien procedures against any property for which assessments are not paid within thirty (30) days, or such other period of time as the Board shall from time to time determine, after due date, or to bring an action at law against the Owner personally obligated to pay the same.

Section 3.07. Powers of the Board of Directors. The Board of Directors shall have such full powers as are provided in the Act and are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a Managing Agent to assist the Board in performing its duties;

(b) to purchase for the benefit of the property and Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board;

(c) to employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of the Condominiums and the Association;

(d) to employ, designate, discharge and remove such personnel as in the judgment of the Board may be necessary for the maintenance, upkeep, repair, and replacement of the Common Areas and, where applicable, the Limited Areas;

(e) to procure and maintain in adequate amounts for the benefit of the Owners fire and extended coverage insurance covering the Building and the Property to the full insurable value thereof together with "all risk" coverage and insurance amounts for the "full replacement value", if economically available, and to procure public liability and property damage insurance and Workers' Compensation Insurance, if necessary, for the benefit of the Owners and the Association;

(f) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;

(g) to open and maintain a bank account or accounts in the name of the Association;

(h) to adopt, revise, amend and alter from time to time, rules and regulations with respect to use, occupancy, operation, and enjoyment of the Property;

(i) to suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed one hundred twenty (120) days for infraction of published rules and regulations;

(j) to exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration; and

(k) to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 3.08. Limitation on Board Action. After the Applicable Meeting Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than fifty thousand dollars ($50,000) without obtaining the prior approval of a majority of the Percentage Vote, except that in the following cases such approval shall not be necessary:

(a) contracts for replacing or restoring portions of the Common Areas or Limited Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received,

(b) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting, and

(c) contracts for repair, replacement or maintenance of improvements on the Property or affecting any property constituting all or a portion of the Property where delay in the said repair, replacement or maintenance would increase substantially the costs and expense of the same and/or would subject the Property or the persons thereon to substantial risk of injury or damage.

Section 3.09. Compensation. No Director shall receive any compensation for the Director's services as such except to the extent as may be expressly authorized by a majority of the Percentage Vote of the Owners. However, any Director may at any time be reimbursed for the Director's actual expenses incurred in the performance of the Director's duties, and such reimbursement shall not require express approval of all the Owners or any portion thereof, but shall require majority approval of the Board.

Section 3.10. Meetings and Actions of the Board. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. If the meetings are to be held outside of Hamilton County, Indiana or Hamilton County, Indiana, the date, place and time of the meeting must receive unanimous approval of all Directors. There shall be at least two (2) regular meetings of the Directors annually. The Secretary shall give written notice of regular meetings of the Board to each Director personally or by United States mail at least ten

(10) days prior to the date of such meeting. Special meetings of the Board may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least five (5) days prior to the date of such special meeting, give notice to the Board members. The Notice of the meeting shall contain a statement of the purpose for which the meeting is called. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 3.11. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or the Director's subsequent written consent to the actions taken, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.13. Non Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Condominiums or the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or Bylaws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Condominiums or the Association and that in all matters the Board is acting for and on behalf of the Association as its agent. The liability of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to his Percentage Interest. Every contract made by the Board or the Managing Agent on behalf of the Condominiums or the Association shall provide that the Board of Directors and the Managing Agent, as the case may be, are acting, as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners (if applicable) and then only to the extent of their Percentage Interest.

Section 3.14. Additional Indemnity of Directors. The Association shall indemnify, hold harmless, and defend any person, his heirs, assigns, and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Association shall also reimburse to any such Director the reasonable costs of settlement or of judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Percentage Vote that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advise made by or prepared by the Managing Agent of or any officer or

employee, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness of such statements; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 3.15. Bond. The Board of Directors may require the Managing Agent, Treasurer and such other officers or employees of the Association as the Board deems necessary to provide surety bonds, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful obstruction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a Common Expense.

ARTICLE IV

OFFICERS

Section 4.01. Officers of the Association. The principal officers of the Board and Association shall be the President, Vice President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create, all of whom shall be elected by the Board. The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officer as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President shall be exclusive, and the President shall not hold any other office. The initial officers serving until the first annual meeting of the Board of Directors shall be: President, Vice President, and Secretary/Treasurer.

Section 4.02. Election of Officers and Removal of Officers. The Officers of the Board and Association shall be elected annually by the Board at the initial meeting of each new Board. The initial meeting of the Board shall be held immediately after the adjournment of the annual Association meeting. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Board and Association. The President shall preside at all meetings of the Association and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including but not limited to the power to appoint committees from among the Co-Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

Section 4.04. The Vice President. The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these Bylaws may prescribe or as shall from time to time be imposed upon him by the Board or by the President.

Section 4.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and shall perform such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly

given, mailed or delivered, in accordance with the provisions of these Bylaws. The Secretary may also be the Treasurer.

Section 4.06. The Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and who shall perform such other duties incident to the office of Treasurer. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. The Treasurer shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account or accounts in the name of the Association. The Treasurer may permit and delegate to the Managing Agent the authority and responsibility to handle an account for monies and other assets of the Association to the extent approved by resolution of the Board. The Treasurer may also be the Secretary.

Section 4.07. Assistant Officers and Committees. The Board of Directors may, from time to time, designate and elect from among the Co-Owners an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these Bylaws or the Board of Directors may prescribe.

Section 4.08. Special Appointments. The Board may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4.09. Committees. The Board may appoint committees to assist in the administration and affairs of the Association and Board.

ARTICLE V

ASSESSMENTS

Section 5.01. Annual Accounting. Annually, after the close of each fiscal year of the Association and prior to the date of the annual meeting of the Association next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then serving the Association, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

Section 5.02. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The proposed annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments (as that term is defined below) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority of the Percentage Vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for

capital expenditures and replacement and repair of the Common Areas, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Areas. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Areas shall be maintained by the Association in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Hamilton County, Indiana or Marion County, Indiana, selected from time to time by the Board.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided whenever determined. Whenever, whether before or after the annual meeting of the Association, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred percent (100%) of such last approved budget as a temporary budget.

Section 5.03. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Unit ("Regular Assessments"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Unit based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Unit shall be paid in advance in equal monthly installments, commencing on the date of conveyance of the Unit and on the first day of each month thereafter. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay monthly assessments semi-annually or annually, in advance. At the election and option of the Owners by a majority of the Percentage Vote, the Regular Assessment may be required to be paid by the Owners in advance in one annual installment rather than monthly or semi-annual installments. In the event the Regular Assessment for a particular fiscal year of the Association was initially based upon a temporary budget then,

(a) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment and such next payment and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or

(b) if the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess shall be credited against the next payment or payments of the Regular Assessment coming due until the entire amount of such excess has been so credited; provided, however, that if an Owner had paid his Regular Assessment either semi-annually or annually, in advance, then the adjustments set forth under (a) or (b) above shall be made by a cash payment by, or refund to, the Owner on the

first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Owners.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Unit as of the first day of each fiscal year (if the fiscal year is the calendar year, January 1 of each calendar year shall be the lien date) of the Association, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers his Unit or any interest therein, shall not relieve or release such Owner or his successor as owner of such Unit from payment of the Regular Assessment for such Unit as finally determined, and such Owner and his successor as owner of such Unit shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Association pursuant to Section 8.02 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly or monthly (if so determined by the Board) installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statements to Owners for the same.

Section 5.04. Special Assessments. From time to time, Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these Bylaws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments during any fiscal year which, upon resolution of the Board, shall become a lien on each Unit, prorated in accordance with each Unit's Percentage Interest ("Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures, to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in the Declaration. The Special Assessment referenced herein is in addition to the Boat Dock Area Assessment referenced in the Declaration, which shall be prorated among and shall be a lien only upon those Units and Owners described in Article 7 of the Declaration, but which shall otherwise be treated as a Special Assessment.

Section 5.05. Failure of Owner to Pay Assessments. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several.

(a) If any Owner shall fail or refuse to make any such payment of any assessment when due, the amount thereof shall constitute a lien on the Unit of the Owner, and upon the recording of notice thereof by the Association, such lien shall be constituted upon such Owner's Unit prior to all other liens and encumbrances, recorded or unrecorded, except only

(i) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this State and other State or Federal taxes which by law are a lien on the interest of such Owner prior to pre-existing recorded encumbrances thereon, and

(ii) encumbrances on the interest of such Owner recorded prior to the date such notice is recorded, which by law would be a lien thereon prior to subsequently recorded encumbrances.

(b) The Association shall send a notice, postage prepaid, to any such encumbrancer whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this section, at the address shown in the recorded encumbrance; provided that if such encumbrancer has furnished the Association with another address then such other address shall be used, and said Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrancer.

(c) Any encumbrancer holding a lien on a Unit may pay any Common Expenses payable with respect to such Unit and, if so provided in an encumbrance, may add the amount of such payment to the unpaid balance secured by his lien, and such added amount shall have the same priority and lien rights as the unpaid balance to which added.

(d) The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Owners, and may be foreclosed by an action brought in the name of the Association in a manner under the laws of the state governing mechanic's liens and materialmen's liens and as provided under the Act. The Association, acting on behalf of the Owners, shall have the power to bid on the interest so foreclosed at foreclosure sale and to acquire, hold, lease, mortgage and convey the same; and to subrogate so much of its right to such lien as may be necessary or expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.

(e) Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same.

(f) The Board shall further have the power to suspend the voting rights of a member during any period in which such members shall be in default in the payment of any assessment levied by the Association.

(g) Any payment for assessments not made when due shall bear interest at the rate of eighteen percent (18%) per annum from the date the same shall become due until the date the same is paid. It shall further be the obligation of any party who shall fail to pay any assessment or assessments when due to reimburse the Association for all expenses incurred as a result of such failure to pay, including all expenses incurred by the Association in the collection of the same, and including further, but not limited to, all costs of overhead, accounting and legal expenses incurred with respect to, arising out of, or occasioned by the said failure to pay.

(h) In the event any person shall acquire or be entitled to the issuance of a tax deed, public trustee's deed, sheriffs deed, commissioner's deed, etc., the interest so acquired shall be subject to all the provisions of this Declaration and to the terms, provisions, covenants, conditions, and limitations contained in the Declaration, the Bylaws of the Association and any restrictions or exceptions affecting such interest then in force.

Section 5.06. Initial Budget and Assessments. Notwithstanding anything to the contrary contained herein in the Declaration, the Act, other applicable statutes or otherwise, until the Applicable Meeting Date, the annual budget and all regular Assessments and Special Assessments shall be established by the Initial Board without meetings of or concurrence of the Co-Owners. A power of

attorney and proxy coupled with an interest is reserved to the Declarant and is granted to the Declarant by each Owner and shall be deemed to cover and include each Owner's right to vote on and approve the initial annual budget and any Regular Assessments and Special Assessments until the Applicable Meeting Date.

Section 5.07. Maintenance and Repairs. Every Owner shall promptly perform all maintenance and repairs within the Owner's Unit which, if neglected, would affect the value of the Property. In addition, each Owner shall furnish and shall be responsible at his own expense for the maintenance, repairs and replacements of his Unit and Limited Areas exclusive to his Unit, and all equipment serving the same. Such maintenance, repairs and replacements which each Owner is responsible to make personally and at his own expense include, but are not necessarily limited to: water lines, gas lines, plumbing and electric lines which service the Owner's Unit only and are located within exterior walls of the Unit including any lines in the area from below the floor to above the roof if they are within an extension of the exterior walls of the Units; all partitions and interior walls, ceilings and floors; appliances, to include garbage disposals, dishwashers, stoves, ranges and refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Unit), doors, screens, and windows (including exterior and interior of all glass and screen surfaces), lamps, and interior and exterior grouting and/or caulking and all other accessories appurtenant to the Unit or belonging to the Owner thereof. Notwithstanding any of the provisions of this paragraph, all lawn mowing, landscaping and other similar maintenance within the Common Areas shall be provided as an expense of the Association. No Owner shall in any way cut or fertilize lawns, shrubs or other items of landscaping or attempt to maintain or replace same in any manner whatsoever. The Association will provide personnel for these purposes.

If, due to the willful, intentional or negligent acts or omissions of an Owner or a member of his family, or of a guest, tenant or other occupant or visitor of such Owner, damage shall be caused to the Common Areas or to a Unit or Limited Area owned by or reserved for the use of others, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. Maintenance, repairs and replacements to the Common Areas or the Units or any Limited Areas shall be subject to the rules and regulations adopted from time to time by the Board.

To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or any Common Areas or Limited Areas, then the use thereof by the Owner of such Unit shall be subject to the rules and regulations adopted from time to time by the Board. The authorized representatives of the Association or Board of Directors, or the Managing Agent for the Association, shall be entitled to reasonable access to any Unit as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or Limited Areas or any parts thereof, or any equipment, facilities or fixtures affecting or serving other Units or any Common Areas or Limited Areas.

ARTICLE VI

RESTRICTIONS, RIGHT OF ENTRY, RULES AND REGULATIONS

Section 6.01. Restrictions on Use. The following restrictions on the use and enjoyment of the Units, Common Areas, Limited Areas and the Property shall be applicable to the Condominiums and in addition to those set forth in the Declaration.

(a) All Units shall be used exclusively for residential purposes and no Unit may be partitioned or subdivided. A Unit may be rented or leased by its Owner in its entirety without approval; provided, however, that the Unit Owner is required to notify the Managing Agent of the tenant's name. The initial term of any tenant lease shall not be less than one hundred eighty (180) consecutive days.

(b) No additional buildings, temporary structures, utility buildings or tents shall be erected or located on the Property without the consent of the majority of all of the Board of Directors.

(c) Nothing shall be done or kept in any Unit or in the Common Areas or Limited Areas which will cause an increase in the rate of insurance on the Building or the contents thereof. No Owner shall permit anything to be done or kept in his Unit or in the Common Areas or Limited Areas which will result in a cancellation of insurance on the Building or any part of the Common Areas or Limited Areas which will result in a cancellation of insurance on the Building or any part of the Common Areas or contents thereof, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(d) No nuisance shall be permitted and no waste shall be committed in any Unit or in the Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other part of the Building without the prior consent of the Board; provided, however, that notwithstanding the foregoing, the Board may not prohibit or restrict the installation or use of a video or television antenna, including a satellite dish, or effectively prohibit or restrict the attachment of such antenna to a structure within the Condominiums where the antenna is not visible from any street or Common Area, except as otherwise prohibited or restricted by law, if such installation or use is of a video or television antenna that has a diameter or a diagonal measurement of 36 inches or less, in which event the Board may impose "reasonable restrictions" on such use or installation. "Reasonable Restrictions" for purposes of this provision means those restrictions that do not significantly increase the cost of the video or television antenna system, including all related equipment, or significantly decrease its efficiency or performance, including all of the following: (i) requirements for application and notice to the Association prior to the installation; (ii) requirement of the Owner to obtain the Association's approval for installation of a video or television antenna that has a diameter or diagonal measurement of 36 inches or less on a Unit owned by another Owner; (iii) provision for the maintenance, repair or replacement of roofs or other Building components; (iv) requirements for installers of a video or television antenna to indemnify or reimburse the Association or its Members for loss or damage caused by the installation, maintenance or use of a video or television antenna that has a diameter or diagonal measurement of 36 inches or less; and (v) requirements that an antenna or dish be painted to match the surroundings, unless the painting requirement: (A) imposes an unreasonable delay; or (B) precludes reception of an acceptable quality signal; or (C) imposes an unreasonable expenses on the Owner, provided that the Association may not require that connecting cables, mounting materials or accessories be painted it would invalidate any manufacturer's warranty. Whenever approval is required for the installation or use of a video or television antenna, including a satellite dish, the application for approval shall be processed by the Board in the same manner as an application for approval of an architectural modification or alteration, and the issuance of a

decision on such application shall not be willfully delayed. In any action to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney's fees.

(f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Areas or Limited Areas or on the Property; provided, however, that a maximum of: (i) two (2) dogs; (ii) two (2) cats; or (iii) 1 dog and 1 cat shall be permitted in a Unit; and further provided that no dog weighing over forty (40) pounds shall be permitted in a Unit.

(g) Nothing shall be done or permitted in any Unit which will impair the structural integrity of the Building or which would structurally change the Building or which would affect the exterior appearance of any Unit, except as otherwise provided in the Declaration or these Bylaws. No Unit shall be used in any unlawful manner, in violation of the zoning laws in effect in Hamilton County, Indiana, or in any manner which might cause injury to the reputation of the Condominiums or the Association or which might be or cause a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Units or neighboring property, including without limiting the generality of the foregoing noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment or machines or loud persons.

(h) The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials.

(i) No "for sale", "for rent" or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the Property or any Unit without the prior consent of the Board; provided, however, that the right is reserved by the Declarant and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the Property in connection with any unsold or unoccupied Units.

(j) All Owners and members of their families, their guests, or invitees, and all occupants of any Unit or other persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Units, the Common Areas and Limited Areas.

(k) No boats, campers, trailers of any kind, buses, mobile homes or any other vehicles of any similar description or type shall be permitted, parked or stored anywhere within the Property unless prior written approval is obtained from the Board. No repair work shall be done on the Property on any vehicles, including, but not limited to, passenger automobiles, motorcycles, trucks or boats unless express written permission is obtained from the Board.

(l) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas or Limited Areas, except with express permission from the Board.

(m) No Owner or tenant shall be allowed to place or cause to be placed in either Common Areas or Limited Areas, any furniture, packages or objects of any kind, without the consent of the Board. The Rules and Regulations adopted by the Board may set forth the standards to implement the intent of this provision.

(n) All garbage, trash and refuse shall be stored in appropriate containers as determined by the Rules and Regulations by the Board. All such garbage, trash and refuse shall

be placed in the containers approved by the Board and shall be placed at locations designated by the Board for scheduled trash collection in further accordance with the Rules and Regulations.

(o) No use shall be made of any part of the Property which violates these restrictions, or the Rules and Regulations, and all Owners and their guests, tenants, invitees and all occupants or other parties entitled to use or who may use any part of the Property shall at all times fully comply with the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described herein.

(p) All Common Areas and Limited Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the Rules and Regulations from time to time adopted by the Board.

Section 6.02. Right of Entry. All Owners and occupants of a Unit shall be deemed to have granted the right of entry thereto to the Board or any person authorized by the Board in case of any emergency originating in or threatening his Unit or the Building, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.03. Right of Board to Adopt Rules and Regulations. The Board may promulgate such additional rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board, and the Board shall cause copies of such rules and regulations and all amendments thereto to be delivered to and mailed promptly to all Owners.

Section 6.04. Interpretation of Bylaws and Covenants. The Board of Directors shall have the power, authority and obligation to determine all matters affecting or relating to the interpretation, application and enforcement of the Bylaws and the Restrictive Covenants set forth in this Article VI of the Bylaws. Any decision or determination made by the Board pursuant to its powers and obligations as set forth in this Section shall be deemed binding upon all parties and all Owners unless it shall be shown that said determination was made in bad faith with an intent to unfairly discriminate between Owners or was made in contravention of the express terms and conditions of the Declaration and/or Bylaws.

ARTICLE VII

AMENDMENT TO BYLAWS

Section 7.01. Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration or the Act, these Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration. Amendments to these Bylaws shall be considered as amendments of the Declaration and shall be recorded in the office of the Recorder of Hamilton County, Indiana, as required by the Declaration and the Act.

ARTICLE VIII

MORTGAGES

Section 8.01. Notice to Association. Any Owner who places a first mortgage lien upon his Unit (or the Mortgagee of such Unit) shall notify the Secretary of the Association thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these Bylaws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these Bylaws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage. The holder, insurer or guarantor of any mortgage on any unit shall be given timely notice by the Association of:

(a) any condominium or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage;

(b) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

(c) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(d) any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

Such information shall only be supplied to mortgage holders upon receipt of a written request therefore specifying the Unit number on which it holds a mortgage.

Section 8.02. Notice of Unpaid Assessments. The Association shall, upon request of a Mortgagee, a proposed Mortgagee, or a proposed purchaser who has a contractual right to purchase a Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments against the subject Unit, which statement shall be binding upon the Association and the Owners. Any Mortgagee or grantee of the Unit shall not be liable for nor shall the Unit conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 5.02.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Fiscal Year. Unless changed by resolution of the Board of Directors prior to the fiscal year of the Association shall begin on the first day of January in each year and end on the last day of December next following.

Section 9.02. Seal. The Association may have and use a seal, which seal (if one is adopted) shall be circular in form and mounted upon a metal die, suitable for impressing the same upon paper. About

the upper periphery of the seal shall appear the words "HARBOUR TOWN CONDOMINIUM OWNER'S ASSOCIATION, INC.", and about the lower periphery thereof the word "Indiana". In the center of the seal shall appear the word "Seal." PROVIDED HOWEVER, that the use of said seal or an impression thereof shall not be required upon and shall not affect the validity of any instrument whatsoever.

IN WITNESS WHEREOF, Declarant has executed the foregoing Bylaws on the ___ day of _____, 2008.

HARBOUR TOWN VENTURES II, LLC
an Indiana limited liability company

By: **House Investments Capital Markets VII, LLC**
An Indiana limited liability company,
Its Manager

By: _____
Michael D. Emkes, Member

ATTEST:

By: _____
Printed: _____

STATE OF INDIANA

COUNTY OF _____

Before me, a Notary Public in and for said County and State, personally appeared Michael D. Emkes, the duly authorized Member of House Investments Capital Markets VII, LLC, in its capacity as Manager of Harbour Town Ventures II, LLC, who acknowledged execution of the foregoing By-Laws of Harbour Town Condominiums and Harbour Town Condominium Owner's Association, Inc., for and on behalf of such limited liability company, and who, having been duly sworn stated that the representations therein contained are true.

WITNESS my hand and Notarial Seal this ___ day of _____, 2008.

_____
Notary Public

Resident of _____ County

My Commission Expires:_____

_____
Printed Name

This document prepared by D. Bryan Weese, Attorney-at-Law, Bingham McHale LLP, 2700 Market Tower, 10 W. Market Street, Indianapolis, Indiana 46204-4900.

Exhibit "E"
To Declaration of Easements, Restrictions and Covenants for
Harbour Town Condominiums

Percentage Interest Schedule for Building 1 (*)

UNIT	SQUARE FOOTAGE	UNIT TYPE	PERCENTAGE INTEREST
201	1229	G	2.45%
202	1116	B	2.22%
203	910	E2	1.81%
204	1203	C	2.40%
205	1203	C	2.40%
206	1114	A	2.22%
207	1114	A	2.22%
208	1283	F	2.55%
209	819	D	1.62%
210	1114	A	2.22%
211	1114	A	2.22%
212	1203	C	2.40%
213	1203	C	2.40%
214	910	E2	1.81%
215	1116	B	2.22%
301	1229	G	2.45%
302	1116	B	2.22%
303	977	E	1.94%
304	1203	C	2.40%
305	1203	C	2.40%
306	1114	A	2.22%
307	1114	A	2.22%
308	1283	F	2.55%
309	819	D	1.62%
310	1114	A	2.22%
311	1114	A	2.22%
312	1203	C	2.40%
313	1203	C	2.40%
314	977	E	1.94%
315	1116	B	2.22%
401	1229	G	2.45%
402	1116	B	2.22%
403	977	E	1.94%
404	1203	C	2.40%
405	1203	C	2.40%
406	1114	A	2.22%
407	1114	A	2.22%
408	1283	F	2.55%
409	819	D	1.62%
410	1114	A	2.22%
411	1114	A	2.22%
412	1203	C	2.40%
413	1203	C	2.40%
414	977	E	1.94%
415	1116	B	2.22%
TOTAL	50221		100%

(*) The Percentage Interest schedule (subject to any minor variations in final Unit Square Footage) will be effective following completion of Building 1.

BYLAWS
OF
HARBOUR TOWN CONDOMINIUMS

AND OF

THE HARBOUR TOWN CONDOMINIUM OWNER'S ASSOCIATION, INC.

ARTICLE I

IDENTIFICATION AND APPLICABILITY

Section 1.01. Identification and Adoption. These Bylaws are adopted simultaneously with the execution of a certain Amended and Restated Declaration of Restrictions, Covenants and Easements for Harbour Town Condominiums (the "Declaration") creating Harbour Town Condominiums, to which these Bylaws are attached and made a part. The Declaration is incorporated by this reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these Bylaws. The provisions of these Bylaws shall apply to the Property and the administration and conduct of the affairs of the Condominiums and the Association.

Section 1.02. Incorporation of Defined Terms from Declaration. The capitalized terms used herein and not elsewhere defined shall have the same meanings ascribed to them in the Declaration.

Section 1.03. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Unit or any part of the Property shall be subject to the restrictions, terms, and conditions set forth in the Declaration, these Bylaws, the Act, and to any rules and regulations adopted by the Board of Directors.

ARTICLE II

MEETINGS OF ASSOCIATION

Section 2.01. Purpose of Meetings. At least annually, and at such other times as may be necessary, the meetings of the Association shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Expenses, and for such other purposes as may be required by the Declaration, these Bylaws or the Act.

Section 2.02. Annual Meetings. The first annual meeting of the Association shall not be required until Declarant has conveyed a Unit to any Owner, and such meeting may be held within ninety (90) days following the recording of the Declaration and conveyance of a Unit; provided, however, that in no event shall the first annual meeting be held later than: (a) four (4) months after twenty-five percent (25%) of the Units have been conveyed to Owners; or (b) four (4) years after the first Unit is conveyed to an Owner, whichever is earlier, and provided further that Declarant may, at any time after recording, call for the first annual meeting of the Association, and pursuant to such meeting, the Association shall assume the duties and responsibilities ascribed to it by the Declaration and these Bylaws. The date the Association assumes such duties shall be referred to as the "Applicable Date." Subsequent regular annual

meetings of the Association shall be held as the Board of Directors may decide at the first meeting of the Board following the first annual meeting of the Association.

Section 2.03. Special Meetings. A special meeting of the members of the Association may be called by resolution of the Board of Directors or upon a written petition of Owners who have not less than a majority of the Percentage Vote; provided, however, that members of the Association owning a majority of the Percentage Interests shall be permitted to petition for a special meeting not more than once during any calendar year. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meetings. All meetings of the Association shall be held at any suitable place in Hamilton County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time, and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each member entitled to vote not less than seven (7) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Units and to one other address that each Owner may supply on a signed address card filed with the Secretary of the Board. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Association to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 8.01 of these Bylaws. Attendance at any meeting in person, by agent, or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) *Number of Votes.* Each Owner shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Areas and Limited Areas applicable to the Owner's Unit's Percentage Interest as stated in the Percentage Interest Schedule referenced in Paragraph 13 of the Declaration.

(b) *Multiple Owner.* Where the Owner of a Unit constitutes or consists of more than one person, or is a partnership, there shall be only one voting representative entitled to all of the Percentage Vote allocable to that Unit. At the time of acquisition of title to a Unit by more than one person or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Association an irrevocable proxy appointing one of such persons or partners as the voting representative for such Unit, which shall remain in effect until all of such parties constituting such multiple Owner or the partners in such partnership designate another voting representative in writing, or such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order of a court of competent jurisdiction, or the Owner no longer owns such Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section, which shall not constitute a permanent relinquishment of the right to act as voting representative of the Unit.

(c) *Voting by Corporation or Trust.* Where a corporation or trust is an Owner, or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the Board of Directors of such corporation may cast the vote to which the corporation is entitled. The secretary of the corporation or a trustee of the trust so entitled to vote shall deliver or cause to be delivered prior

to the commencement of the meeting a certificate signed by such person to the Secretary of the Association stating who is authorized to vote on behalf of said corporation or trust.

(d) Proxy. An Owner may vote either in person or by a duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate the Owner's attorney-in-fact in writing, delivered to the Secretary of the Association prior to the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in the Declaration, these By-Laws or the Act, the Owners representing a majority of the Percentage Vote shall constitute a quorum at all meetings. The term majority of Owners or majority of the Percentage Vote, as used in these Bylaws, shall mean the Owners entitled to at least fifty-one percent (51%) of the Percentage Vote in accordance with the applicable Percentage Interests set forth in the Declaration, as such may be amended from time to time.

(f) Conduct of Annual Meeting. The President of the Board of Directors shall act as Chairman of all annual meetings of the Association if the President is present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(i) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority of the Percentage Vote.

(ii) Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.

(iii) Budget. The proposed budget for the ensuing fiscal year shall be presented to the Owners for approval or amendment unless otherwise changed by the Board of Directors. The fiscal year shall be on a calendar *year* basis.

(iv) Election of Board of Directors. Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least ten (10) days prior to the date of the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected, however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. The Board may provide a method to assure secrecy of the ballot. The foregoing provisions are subject to the provisions of Section 3.02.

(v) Other Business. Other business requiring a vote may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting;

provided, however, that such written request may be waived at the meeting if agreed by a majority of the Percentage Vote. Any other general business matters of discussion that do not require a vote may be properly brought before the meeting by any Co-Owner in good standing.

(vi) Adjournment.

(g) Conduct of Special Meeting. The President of the Board of Directors shall act as Chairman of any special meetings of the Association if he is present. The Chairman shall call the meeting to order at the duly designated time and the only business to be discussed and acted upon at such meeting shall be consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Management and Number; Board Composition. The affairs of the Condominiums and the Association shall be governed and managed by the Board of Directors (collectively, the "Board" or "Directors," and individually, the "Director"). The Board shall be initially composed of three (3) persons selected by the Declarant, as described in Section 3.02 below. The total number of Directors shall at no time exceed seven (7). No person shall be eligible to serve as a Director unless he is, or is deemed in accordance with the Declaration to be, an Owner, excluding a person appointed by Declarant as provided in Section 3.02. At such time as fifty percent (50%) of the Units have been conveyed by Declarant to other Owners, a special meeting of all Owners shall be called by the Board to elect not less than one (1) additional Director to replace one of the Directors selected by Declarant to fill the original Board.

Section 3.02. Initial Board of Directors. The initial Board of Directors shall be three (3) persons (herein referred to as the "Initial Board"), all of whom have been or shall be appointed by Declarant. Declarant reserves the right to remove or replace any of such persons as Directors prior to the first annual or special meeting of the Association. Notwithstanding anything to the contrary contained in, or any other provisions of these Bylaws or the Declaration or the Act, the Initial Board, subject to the removal and replacement rights of Declarant, shall hold office until a special meeting of the Association for election of Directors, which shall be held not later than four (4) months after seventy-five percent (75%) of the Units have been conveyed by Declarant to other Owners, or five (5) years after the first Unit is conveyed by to an Owner, whichever is earlier (hereinafter referred to as the "Applicable Meeting Date"). In the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Meeting Date, every such vacancy shall be filled by a person appointed by Declarant, and such person shall subsequently be deemed a member of the Initial Board.

Section 3.03. Additional Qualifications. Where an Owner consists of more than one person or is a partnership, personal representative of an estate, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee or personal representative of an estate shall be eligible to serve on the Board of Directors.

Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02, the Board of Directors shall be elected at each annual meeting of the Association. The Initial Board of Directors shall be deemed to be elected as the Board of Directors for successive annual terms until the Applicable Meeting Date. Directors shall hold office for a term of one (1) year or until their successors have been duly elected and qualified. Subject to the provisions of Section 3.02, any vacancy or vacancies

occurring in the Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.05. A Director filling a vacancy shall serve until the next annual meeting of the Association or until his successor has been duly elected and qualified.

Section 3.05. **Removal of Directors.** A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the Percentage Vote at a special meeting of the Owners duly called and constituted for such purpose. In such case, the Director's successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners or until the Director's successor is duly elected and qualified.

Section 3.06. **Duties of the Board of Directors.** The Board of Directors shall provide for the administration of, the maintenance, upkeep and replacement of the Common Areas and Limited Areas (unless the same are otherwise the responsibility or duty of Owners of Units), and the collection and disbursement of the Common Expenses. After the recording of the Declaration the Board may, on behalf of the Association, employ a property management agent (the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

(a) protection, surveillance, maintenance and replacement of the Common Areas and Limited Areas, unless the same are otherwise the responsibility or duty of Owners of Units; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Association, the Board or any Managing Agent may provide any on-site or roving guards, security service or security system for protection or surveillance;

(b) procuring utilities used in connection with operation of the Condominiums;

(c) arranging for removal of garbage and waste, and snow removal from the Common Areas;

(d) landscaping, painting, decorating, furnishing, maintenance and upkeep of the Common Areas and, where applicable, the Limited Areas;

(e) surfacing, paving and maintaining private streets, parking areas, recreational facilities and sidewalks;

(f) assessment and collection from the Owners of the Owners' pro rata shares of the Common Expenses, including: (i) determination of whether improvements are to Common or Limited Common Areas, pursuant to the terms and conditions of the Declaration and By-Laws; (ii) determination of whether expenses incurred with respect to the same are allocable to all or fewer than all the Owners; and (iii) the allocation of all expenses among the respective Units of the Condominium;

(g) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year, which shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;

(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by an Owner at any time during normal business hours; payment vouchers for all expenditures shall, prior to payment, be approved by a member of the Board or such other person (which may include the Managing Agent) to whom the Board may delegate such duty and authority;

(j) procuring and maintaining for the benefit of the Owners, the Association, and the Board the insurance coverage required under the Declaration and such other insurance coverage as the Board, in its sole discretion, may deem necessary or advisable;

(k) interpreting, applying and enforcing all restrictive covenants, rules and regulations established by the Declaration, Bylaws, or Board with respect to the Owners or users of Units within or relating to the use, maintenance or repair of the Property; and

(l) enforce the lien procedures against any property for which assessments are not paid within thirty (30) days, or such other period of time as the Board shall from time to time determine, after due date, or to bring an action at law against the Owner personally obligated to pay the same.

Section 3.07. Powers of the Board of Directors. The Board of Directors shall have such full powers as are provided in the Act and are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a Managing Agent to assist the Board in performing its duties;

(b) to purchase for the benefit of the property and Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board;

(c) to employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of the Condominiums and the Association;

(d) to employ, designate, discharge and remove such personnel as in the judgment of the Board may be necessary for the maintenance, upkeep, repair, and replacement of the Common Areas and, where applicable, the Limited Areas;

(e) to procure and maintain in adequate amounts for the benefit of the Owners fire and extended coverage insurance covering the Building and the Property to the full insurable value thereof together with "all risk" coverage and insurance amounts for the "full replacement value", if economically available, and to procure public liability and property damage insurance and Workers' Compensation Insurance, if necessary, for the benefit of the Owners and the Association;

(f) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;

(g) to open and maintain a bank account or accounts in the name of the Association;

(h) to adopt, revise, amend and alter from time to time, rules and regulations with respect to use, occupancy, operation, and enjoyment of the Property;

(i) to suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed one hundred twenty (120) days for infraction of published rules and regulations;

(j) to exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration; and

(k) to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 3.08. Limitation on Board Action. After the Applicable Meeting Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than fifty thousand dollars ($50,000) without obtaining the prior approval of a majority of the Percentage Vote, except that in the following cases such approval shall not be necessary:

(a) contracts for replacing or restoring portions of the Common Areas or Limited Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received,

(b) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting, and

(c) contracts for repair, replacement or maintenance of improvements on the Property or affecting any property constituting all or a portion of the Property where delay in the said repair, replacement or maintenance would increase substantially the costs and expense of the same and/or would subject the Property or the persons thereon to substantial risk of injury or damage.

Section 3.09. Compensation. No Director shall receive any compensation for the Director's services as such except to the extent as may be expressly authorized by a majority of the Percentage Vote of the Owners. However, any Director may at any time be reimbursed for the Director's actual expenses incurred in the performance of the Director's duties, and such reimbursement shall not require express approval of all the Owners or any portion thereof, but shall require majority approval of the Board.

Section 3.10. Meetings and Actions of the Board. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. If the meetings are to be held outside of Hamilton County, Indiana or Hamilton County, Indiana, the date, place and time of the meeting must receive unanimous approval of all Directors. There shall be at least two (2) regular meetings of the Directors annually. The Secretary shall give written notice of regular meetings of the Board to each Director personally or by United States mail at least ten (10) days prior to the date of such meeting. Special meetings of the Board may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least five (5) days prior to the date of such special meeting, give notice to the Board members. The Notice of the meeting shall contain a statement of the purpose for which the meeting is called. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 3.11. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or the Director's subsequent written consent to the actions taken, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.13. Non Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Condominiums or the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or Bylaws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Condominiums or the Association and that in all matters the Board is acting for and on behalf of the Association as its agent. The liability of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to his Percentage Interest. Every contract made by the Board or the Managing Agent on behalf of the Condominiums or the Association shall provide that the Board of Directors and the Managing Agent, as the case may be, are acting, as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners (if applicable) and then only to the extent of their Percentage Interest.

Section 3.14. Additional Indemnity of Directors. The Association shall indemnify, hold harmless, and defend any person, his heirs, assigns, and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Association shall also reimburse to any such Director the reasonable costs of settlement or of judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Percentage Vote that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advise made by or prepared by the Managing Agent of or any officer or employee, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness of such statements; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 3.15. Bond. The Board of Directors may require the Managing Agent, Treasurer and such other officers or employees of the Association as the Board deems necessary to provide surety bonds, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful obstruction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with

such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a Common Expense.

ARTICLE IV

OFFICERS

Section 4.01. Officers of the Association. The principal officers of the Board and Association shall be the President, Vice President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create, all of whom shall be elected by the Board. The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officer as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President shall be exclusive, and the President shall not hold any other office. The initial officers serving until the first annual meeting of the Board of Directors shall be: President, Vice President, and Secretary/Treasurer.

Section 4.02. Election of Officers and Removal of Officers. The Officers of the Board and Association shall be elected annually by the Board at the initial meeting of each new Board. The initial meeting of the Board shall be held immediately after the adjournment of the annual Association meeting. Upon an affirmative vote of a majority of all members of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Board and Association. The President shall preside at all meetings of the Association and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including but not limited to the power to appoint committees from among the Co-Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

Section 4.04. The Vice President. The Vice President shall be elected from among the Directors and shall perform all duties incumbent upon the President during the absence or disability of the President. The Vice President shall also perform such other duties as these Bylaws may prescribe or as shall from time to time be imposed upon him by the Board or by the President.

Section 4.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties incident to the office of the Secretary, and shall perform such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provisions of these Bylaws. The Secretary may also be the Treasurer.

Section 4.06. The Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and who shall perform such other duties incident to the office of Treasurer. The Treasurer shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. The Treasurer shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated

by the Board and shall keep such bank account or accounts in the name of the Association. The Treasurer may permit and delegate to the Managing Agent the authority and responsibility to handle an account for monies and other assets of the Association to the extent approved by resolution of the Board. The Treasurer may also be the Secretary.

Section 4.07. Assistant Officers and Committees. The Board of Directors may, from time to time, designate and elect from among the Co-Owners an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these Bylaws or the Board of Directors may prescribe.

Section 4.08. Special Appointments. The Board may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4.09. Committees. The Board may appoint committees to assist in the administration and affairs of the Association and Board.

ARTICLE V

ASSESSMENTS

Section 5.01. Annual Accounting. Annually, after the close of each fiscal year of the Association and prior to the date of the annual meeting of the Association next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then serving the Association, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

Section 5.02. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The proposed annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments (as that term is defined below) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority of the Percentage Vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Areas, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Areas. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Areas shall be maintained by the Association in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Hamilton County, Indiana or Marion County, Indiana, selected from time to time by the Board.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of

the Owners to pay the Common Expenses as herein provided whenever determined. Whenever, whether before or after the annual meeting of the Association, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred percent (100%) of such last approved budget as a temporary budget.

Section 5.03. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Unit ("Regular Assessments"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Unit based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Unit shall be paid in advance in equal monthly installments, commencing on the date of conveyance of the Unit and on the first day of each month thereafter. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay monthly assessments semi-annually or annually, in advance. At the election and option of the Owners by a majority of the Percentage Vote, the Regular Assessment may be required to be paid by the Owners in advance in one annual installment rather than monthly or semi-annual installments. In the event the Regular Assessment for a particular fiscal year of the Association was initially based upon a temporary budget then,

(a) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment and such next payment and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or

(b) if the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess shall be credited against the next payment or payments of the Regular Assessment coming due until the entire amount of such excess has been so credited; provided, however, that if an Owner had paid his Regular Assessment either semi-annually or annually, in advance, then the adjustments set forth under (a) or (b) above shall be made by a cash payment by, or refund to, the Owner on the first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Owners.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Unit as of the first day of each fiscal year (if the fiscal year is the calendar year, January 1 of each calendar year shall be the lien date) of the Association, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers his Unit or any interest therein, shall not relieve or release such Owner or his successor as owner of such Unit from payment of the Regular Assessment for

such Unit as finally determined, and such Owner and his successor as owner of such Unit shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Association pursuant to Section 8.02 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly or monthly (if so determined by the Board) installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statements to Owners for the same.

Section 5.04. Special Assessments. From time to time, Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these Bylaws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments during any fiscal year which, upon resolution of the Board, shall become a lien on each Unit, prorated in accordance with each Unit's Percentage Interest ("Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures, to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in the Declaration. The Special Assessment referenced herein is in addition to the Boat Dock Area Assessment referenced in the Declaration, which shall be prorated among and shall be a lien only upon those Units and Owners described in Article 7 of the Declaration, but which shall otherwise be treated as a Special Assessment.

Section 5.05. Failure of Owner to Pay Assessments. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several.

(a) If any Owner shall fail or refuse to make any such payment of any assessment when due, the amount thereof shall constitute a lien on the Unit of the Owner, and upon the recording of notice thereof by the Association, such lien shall be constituted upon such Owner's Unit prior to all other liens and encumbrances, recorded or unrecorded, except only

(i) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this State and other State or Federal taxes which by law are a lien on the interest of such Owner prior to pre-existing recorded encumbrances thereon, and

(ii) encumbrances on the interest of such Owner recorded prior to the date such notice is recorded, which by law would be a lien thereon prior to subsequently recorded encumbrances.

(b) The Association shall send a notice, postage prepaid, to any such encumbrancer whose encumbrance was recorded prior to the time of recording the notice of lien provided for in this section, at the address shown in the recorded encumbrance; provided that if such encumbrancer has furnished the Association with another address then such other address shall be used, and said Association shall not foreclose its said lien until at least thirty (30) days after the date of depositing such notice in the United States mails, postage prepaid, to the address of such encumbrancer.

(c) Any encumbrancer holding a lien on a Unit may pay any Common Expenses payable with respect to such Unit and, if so provided in an encumbrance, may add the amount of such payment to the unpaid balance secured by his lien, and such added amount shall have the same priority and lien rights as the unpaid balance to which added.

(d) The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Owners, and may be foreclosed by an action brought in the name of the Association in a manner under the laws of the state governing mechanic's liens and materialmen's liens and as provided under the Act. The Association, acting on behalf of the Owners, shall have the power to bid on the interest so foreclosed at foreclosure sale and to acquire, hold, lease, mortgage and convey the same; and to subrogate so much of its right to such lien as may be necessary or expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting Owner's portion of the premium.

(e) Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same.

(f) The Board shall further have the power to suspend the voting rights of a member during any period in which such members shall be in default in the payment of any assessment levied by the Association.

(g) Any payment for assessments not made when due shall bear interest at the rate of eighteen percent (18%) per annum from the date the same shall become due until the date the same is paid. It shall further be the obligation of any party who shall fail to pay any assessment or assessments when due to reimburse the Association for all expenses incurred as a result of such failure to pay, including all expenses incurred by the Association in the collection of the same, and including further, but not limited to, all costs of overhead, accounting and legal expenses incurred with respect to, arising out of, or occasioned by the said failure to pay.

(h) In the event any person shall acquire or be entitled to the issuance of a tax deed, public trustee's deed, sheriffs deed, commissioner's deed, etc., the interest so acquired shall be subject to all the provisions of this Declaration and to the terms, provisions, covenants, conditions, and limitations contained in the Declaration, the Bylaws of the Association and any restrictions or exceptions affecting such interest then in force.

Section 5.06. Initial Budget and Assessments. Notwithstanding anything to the contrary contained herein in the Declaration, the Act, other applicable statutes or otherwise, until the Applicable Meeting Date, the annual budget and all regular Assessments and Special Assessments shall be established by the Initial Board without meetings of or concurrence of the Co-Owners. A power of attorney and proxy coupled with an interest is reserved to the Declarant and is granted to the Declarant by each Owner and shall be deemed to cover and include each Owner's right to vote on and approve the initial annual budget and any Regular Assessments and Special Assessments until the Applicable Meeting Date.

Section 5.07. Maintenance and Repairs. Every Owner shall promptly perform all maintenance and repairs within the Owner's Unit which, if neglected, would affect the value of the Property. In addition, each Owner shall furnish and shall be responsible at his own expense for the maintenance, repairs and replacements of his Unit and Limited Areas exclusive to his Unit, and all equipment serving the same. Such maintenance, repairs and replacements which each Owner is responsible to make personally and at his own expense include, but are not necessarily limited to: water lines, gas lines, plumbing and electric lines which service the Owner's Unit only and are located within exterior walls of

the Unit including any lines in the area from below the floor to above the roof if they are within an extension of the exterior walls of the Units; all partitions and interior walls, ceilings and floors; appliances, to include garbage disposals, dishwashers, stoves, ranges and refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Unit), doors, screens, and windows (including exterior and interior of all glass and screen surfaces), lamps, and interior and exterior grouting and/or caulking and all other accessories appurtenant to the Unit or belonging to the Owner thereof. Notwithstanding any of the provisions of this paragraph, all lawn mowing, landscaping and other similar maintenance within the Common Areas shall be provided as an expense of the Association. No Owner shall in any way cut or fertilize lawns, shrubs or other items of landscaping or attempt to maintain or replace same in any manner whatsoever. The Association will provide personnel for these purposes.

If, due to the willful, intentional or negligent acts or omissions of an Owner or a member of his family, or of a guest, tenant or other occupant or visitor of such Owner, damage shall be caused to the Common Areas or to a Unit or Limited Area owned by or reserved for the use of others, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. Maintenance, repairs and replacements to the Common Areas or the Units or any Limited Areas shall be subject to the rules and regulations adopted from time to time by the Board.

To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or any Common Areas or Limited Areas, then the use thereof by the Owner of such Unit shall be subject to the rules and regulations adopted from time to time by the Board. The authorized representatives of the Association or Board of Directors, or the Managing Agent for the Association, shall be entitled to reasonable access to any Unit as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or Limited Areas or any parts thereof, or any equipment, facilities or fixtures affecting or serving other Units or any Common Areas or Limited Areas.

ARTICLE VI

RESTRICTIONS, RIGHT OF ENTRY, RULES AND REGULATIONS

Section 6.01. Restrictions on Use. The following restrictions on the use and enjoyment of the Units, Common Areas, Limited Areas and the Property shall be applicable to the Condominiums and in addition to those set forth in the Declaration.

(a) All Units shall be used exclusively for residential purposes and no Unit may be partitioned or subdivided. A Unit may be rented or leased by its Owner in its entirety without approval; provided, however, that the Unit Owner is required to notify the Managing Agent of the tenant's name. The initial term of any tenant lease shall not be less than one hundred eighty (180) consecutive days.

(b) No additional buildings, temporary structures, utility buildings or tents shall be erected or located on the Property without the consent of the majority of all of the Board of Directors.

(c) Nothing shall be done or kept in any Unit or in the Common Areas or Limited Areas which will cause an increase in the rate of insurance on the Building or the contents

thereof. No Owner shall permit anything to be done or kept in his Unit or in the Common Areas or Limited Areas which will result in a cancellation of insurance on the Building or any part of the Common Areas or Limited Areas which will result in a cancellation of insurance on the Building or any part of the Common Areas or contents thereof, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(d) No nuisance shall be permitted and no waste shall be committed in any Unit or in the Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other part of the Building without the prior consent of the Board; provided, however, that notwithstanding the foregoing, the Board may not prohibit or restrict the installation or use of a video or television antenna, including a satellite dish, or effectively prohibit or restrict the attachment of such antenna to a structure within the Condominiums where the antenna is not visible from any street or Common Area, except as otherwise prohibited or restricted by law, if such installation or use is of a video or television antenna that has a diameter or a diagonal measurement of 36 inches or less, in which event the Board may impose "reasonable restrictions" on such use or installation. "Reasonable Restrictions" for purposes of this provision means those restrictions that do not significantly increase the cost of the video or television antenna system, including all related equipment, or significantly decrease its efficiency or performance, including all of the following: (i) requirements for application and notice to the Association prior to the installation; (ii) requirement of the Owner to obtain the Association's approval for installation of a video or television antenna that has a diameter or diagonal measurement of 36 inches or less on a Unit owned by another Owner; (iii) provision for the maintenance, repair or replacement of roofs or other Building components; (iv) requirements for installers of a video or television antenna to indemnify or reimburse the Association or its Members for loss or damage caused by the installation, maintenance or use of a video or television antenna that has a diameter or diagonal measurement of 36 inches or less; and (v) requirements that an antenna or dish be painted to match the surroundings, unless the painting requirement: (A) imposes an unreasonable delay; or (B) precludes reception of an acceptable quality signal; or (C) imposes an unreasonable expenses on the Owner, provided that the Association may not require that connecting cables, mounting materials or accessories be painted it would invalidate any manufacturer's warranty. Whenever approval is required for the installation or use of a video or television antenna, including a satellite dish, the application for approval shall be processed by the Board in the same manner as an application for approval of an architectural modification or alteration, and the issuance of a decision on such application shall not be willfully delayed. In any action to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney's fees.

(f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Areas or Limited Areas or on the Property; provided, however, that a maximum of: (i) two (2) dogs; (ii) two (2) cats; or (iii) 1 dog and 1 cat shall be permitted in a Unit; and further provided that no dog weighing over forty (40) pounds shall be permitted in a Unit.

(g) Nothing shall be done or permitted in any Unit which will impair the structural integrity of the Building or which would structurally change the Building or which would affect the exterior appearance of any Unit, except as otherwise provided in the Declaration or these Bylaws. No Unit shall be used in any unlawful manner, in violation of the zoning laws in effect

in Hamilton County, Indiana, or in any manner which might cause injury to the reputation of the Condominiums or the Association or which might be or cause a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Units or neighboring property, including without limiting the generality of the foregoing noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment or machines or loud persons.

(h) The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials.

(i) No "for sale", "for rent" or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the Property or any Unit without the prior consent of the Board; provided, however, that the right is reserved by the Declarant and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the Property in connection with any unsold or unoccupied Units.

(j) All Owners and members of their families, their guests, or invitees, and all occupants of any Unit or other persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Units, the Common Areas and Limited Areas.

(k) No boats, campers, trailers of any kind, buses, mobile homes or any other vehicles of any similar description or type shall be permitted, parked or stored anywhere within the Property unless prior written approval is obtained from the Board. No repair work shall be done on the Property on any vehicles, including, but not limited to, passenger automobiles, motorcycles, trucks or boats unless express written permission is obtained from the Board.

(l) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas or Limited Areas, except with express permission from the Board.

(m) No Owner or tenant shall be allowed to place or cause to be placed in either Common Areas or Limited Areas, any furniture, packages or objects of any kind, without the consent of the Board. The Rules and Regulations adopted by the Board may set forth the standards to implement the intent of this provision.

(n) All garbage, trash and refuse shall be stored in appropriate containers as determined by the Rules and Regulations by the Board. All such garbage, trash and refuse shall be placed in the containers approved by the Board and shall be placed at locations designated by the Board for scheduled trash collection in further accordance with the Rules and Regulations.

(o) No use shall be made of any part of the Property which violates these restrictions, or the Rules and Regulations, and all Owners and their guests, tenants, invitees and all occupants or other parties entitled to use or who may use any part of the Property shall at all times fully comply with the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described herein.

(p) All Common Areas and Limited Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the Rules and Regulations from time to time adopted by the Board.

Section 6.02. Right of Entry. All Owners and occupants of a Unit shall be deemed to have granted the right of entry thereto to the Board or any person authorized by the Board in case of any emergency originating in or threatening his Unit or the Building, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.03. Right of Board to Adopt Rules and Regulations. The Board may promulgate such additional rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board, and the Board shall cause copies of such rules and regulations and all amendments thereto to be delivered to and mailed promptly to all Owners.

Section 6.04. Interpretation of Bylaws and Covenants. The Board of Directors shall have the power, authority and obligation to determine all matters affecting or relating to the interpretation, application and enforcement of the Bylaws and the Restrictive Covenants set forth in this Article VI of the Bylaws. Any decision or determination made by the Board pursuant to its powers and obligations as set forth in this Section shall be deemed binding upon all parties and all Owners unless it shall be shown that said determination was made in bad faith with an intent to unfairly discriminate between Owners or was made in contravention of the express terms and conditions of the Declaration and/or Bylaws.

ARTICLE VII

AMENDMENT TO BYLAWS

Section 7.01. Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration or the Act, these Bylaws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration. Amendments to these Bylaws shall be considered as amendments of the Declaration and shall be recorded in the office of the Recorder of Hamilton County, Indiana, as required by the Declaration and the Act.

ARTICLE VIII

MORTGAGES

Section 8.01. Notice to Association. Any Owner who places a first mortgage lien upon his Unit (or the Mortgagee of such Unit) shall notify the Secretary of the Association thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these Bylaws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these Bylaws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage. The holder, insurer or guarantor of any mortgage on any unit shall be given timely notice by the Association of:

(a) any condominium or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage;

(b) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

(c) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(d) any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

Such information shall only be supplied to mortgage holders upon receipt of a written request therefore specifying the Unit number on which it holds a mortgage.

Section 8.02. Notice of Unpaid Assessments. The Association shall, upon request of a Mortgagee, a proposed Mortgagee, or a proposed purchaser who has a contractual right to purchase a Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments against the subject Unit, which statement shall be binding upon the Association and the Owners. Any Mortgagee or grantee of the Unit shall not be liable for nor shall the Unit conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 5.02.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Fiscal Year. Unless changed by resolution of the Board of Directors prior to the fiscal year of the Association shall begin on the first day of January in each year and end on the last day of December next following.

Section 9.02. Seal. The Association may have and use a seal, which seal (if one is adopted) shall be circular in form and mounted upon a metal die, suitable for impressing the same upon paper. About the upper periphery of the seal shall appear the words "HARBOUR TOWN CONDOMINIUM OWNER'S ASSOCIATION, INC.", and about the lower periphery thereof the word "Indiana". In the center of the seal shall appear the word "Seal." PROVIDED HOWEVER, that the use of said seal or an impression thereof shall not be required upon and shall not affect the validity of any instrument whatsoever.

IN WITNESS WHEREOF, Declarant has executed the foregoing Bylaws on the 25th day of January, 2008.

HARBOUR TOWN VENTURES II, LLC
an Indiana limited liability company

By: **House Investments Capital Markets VII, LLC**
An Indiana limited liability company,
Its Manager

By: _____
Michael D. Emkes, Member

ATTEST:

By: _____
Printed: Stephanie A. Crawford

STATE OF INDIANA
COUNTY OF Hamilton

Before me, a Notary Public in and for said County and State, personally appeared Michael D. Emkes, the duly authorized Member of House Investments Capital Markets VII, LLC, in its capacity as Manager of Harbour Town Ventures II, LLC, who acknowledged execution of the foregoing By-Laws of Harbour Town Condominiums and Harbour Town Condominium Owner's Association, Inc., for and on behalf of such limited liability company, and who, having been duly sworn stated that the representations therein contained are true.

WITNESS my hand and Notarial Seal this 16th day of January 2008.

_____
Notary Public

Resident of Marion County

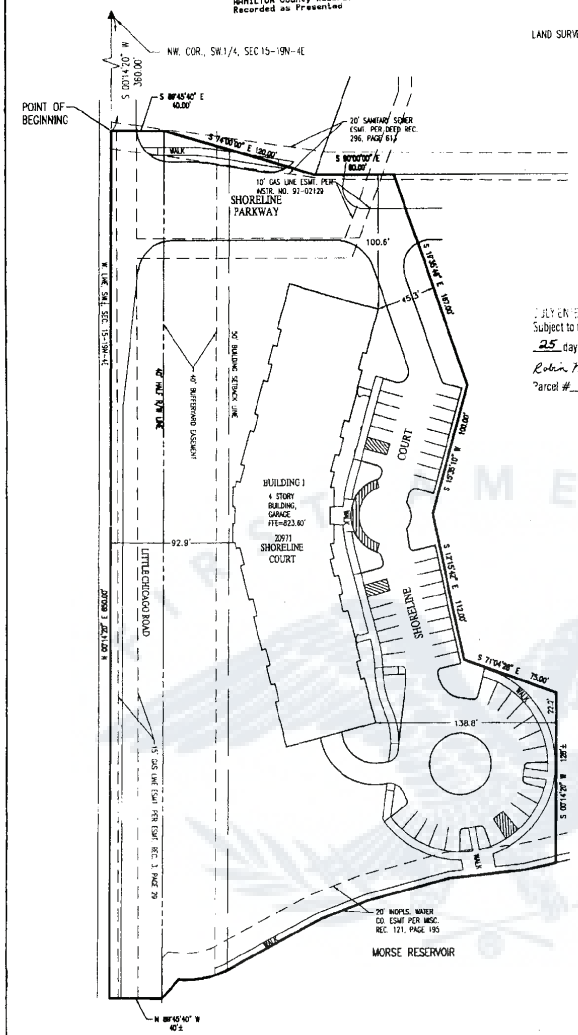
My Commission Expires: Nov. 16, 2012

Monica C. Barbaus
Printed Name

This document prepared by D. Bryan Weese, Attorney-at-Law, Bingham McHale LLP, 2700 Market Tower, 10 W. Market Street, Indianapolis, Indiana 46204-4900.

PC 4 Slide 419

2008004075 PLAT $50.00
01/28/2008 02:58:19P 7 PGS
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented



LAND SURVEYOR:

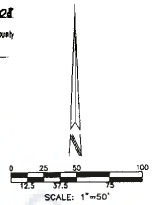
Cripe
Architects • Engineers
7172 Graham Rd.
INDIANAPOLIS, IN 46250
(317) 842-6777

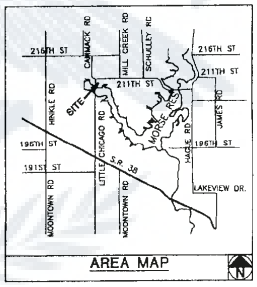
DECLARANT:
HARBOUR TOWN VENTURES II, LLC
BY: HOUSE INVESTMENTS CAPITAL MARKETS VII, LLC
ITS MANAGER
10401 N. MERIDIAN STREET, SUITE 275
INDIANAPOLIS, IN 46290
(317) 580-2541

PROPERTY OWNER:
HARBOUR TOWN VENTURES II, LLC
PER INSTR. NO. 2005000061184

HARBOUR TOWN CONDOMINIUMS
PHASE I

DULY ENTERED FOR TAXATION
Subject to final acceptance for transfer
25 day of January, 20 08
Robin M Tilley Auditor of Hamilton County
Parcel #_____





SEE AS BUILT FLOOR PLANS ON SHEETS 3 THROUGH 6 FOR BUILDING DIMENSIONS, LOCATION OF UNITS, UNIT DIMENSIONS AND ELEVATIONS WITHIN BUILDING 1.

SEE SHEET 3 FOR BENCHMARK INFORMATION.

SHEET 1 OF 7

THIS INSTRUMENT PREPARED BY DENNIS K. SINGER, R.L.S. #S0470

HARBOUR TOWN – PHASE I, PIC JOB #040412-30400

PC 4 Slide 419

2008004075 PLAT $50.00
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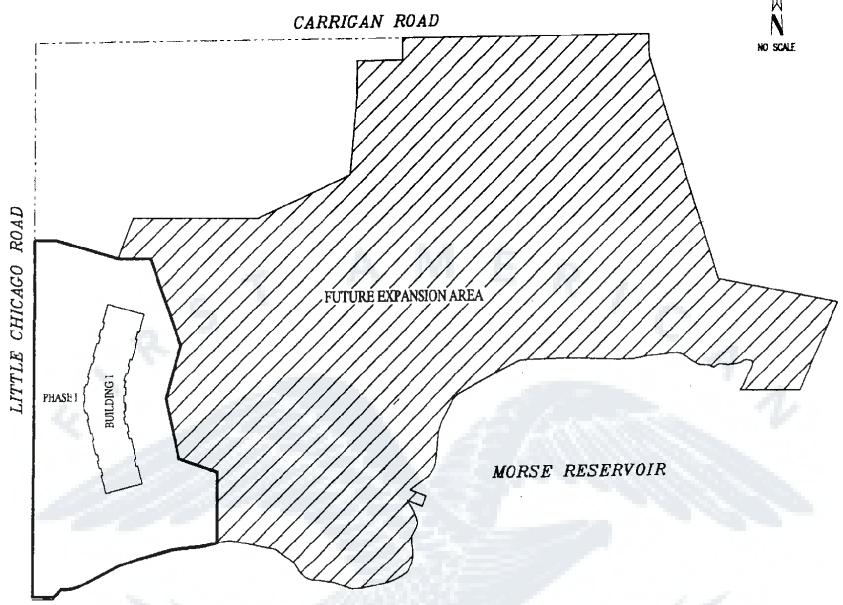
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

HARBOUR TOWN CONDOMINIUMS
PHASE I



SEE AS BUILT FLOOR PLANS ON SHEETS 3 THROUGH 6 FOR BUILDING DIMENSIONS, LOCATION OF UNITS, UNIT DIMENSIONS AND ELEVATIONS WITHIN BUILDING 1.

THIS INSTRUMENT PREPARED BY DENNIS K. SINGER, R.L.S. #30470

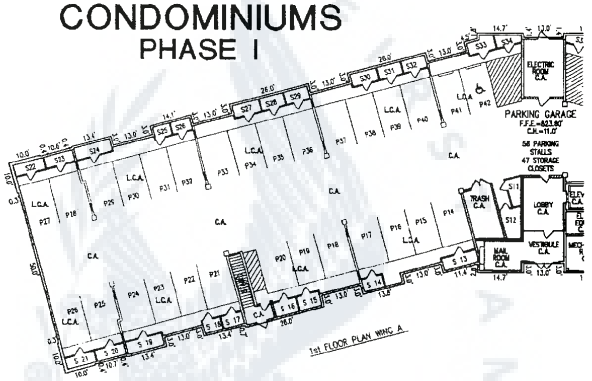
HARBOUR TOWN - PHASE I, PIC JOB #040412-30400

Pc4 Slide 419

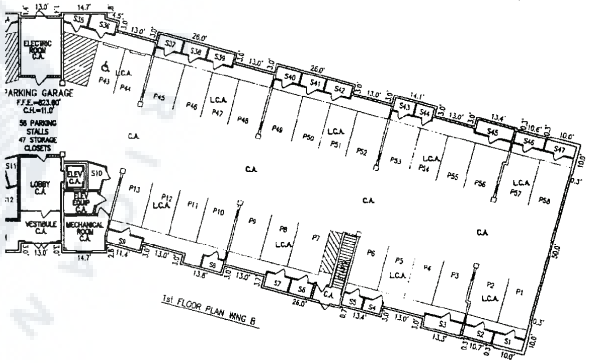
2008004875 PLAT $50.00
01/25/2008 02:50:19P 7 PGS
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

AS BUILT FLOOR PLANS OF HARBOUR TOWN CONDOMINIUMS PHASE I

BUILDING 1
1ST FLOOR



1st FLOOR PLAN WING A



1st FLOOR PLAN WING B

LEGEND

L.C.A. = LIMITED COMMON AREA
C.A. = COMMON AREA
= TYPICAL UNIT NUMBER
F = TYPICAL UNIT TYPE
F.F.E. = FINISHED FLOOR ELEVATION
C.H. = CEILING HEIGHT
SQ. FT. = SQUARE FEET
P## = PARKING SPACE NUMBER
S## = STORAGE SPACE NUMBER

REFERENCE BENCHMARK

NGS MONUMENT V 209 – 1.8 MILES WEST ALONG 236TH STREET FROM CICERO 20 FEET SOUTH OF THE CENTERLINE OF THE ROAD, 3.5 FEET WEST OF A TELEPHONE POLE, 1 FOOT NORTH OF THE SOUTH R/W FENCE LINE, SET IN THE TOP OF A CONCRETE POST PROJECTING 6 INCHES

ELEV. = 858.34' (NGVD 1929 DATUM)

#502 = REBAR WITH CAP 24'± NORTH OF CENTERLINE OF INTERSECTION OF 1ST PARKING LOT TO THE SOUTH OF THE ENTRANCE OFF OF LITTLE CHICAGO ROAD.

ELEV. = 824.67' (NGVD 1929 DATUM)

#506 = MAG NAIL AT THE EAST END OF THE 2ND PAINT STRIPE ON THE WEST SIDE OF THE PARKING LOT 46'± SOUTH OF THE INTERSECTION OF WATER FRONT COURT & HARBOURTOWN DRIVE.

ELEV. = 822.02' (NGVD 1929 DATUM)

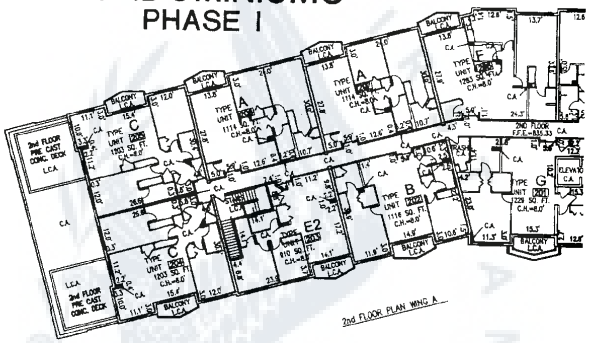
SHEET 3 OF 7

AS BUILT FLOOR PLANS OF HARBOUR TOWN CONDOMINIUMS PHASE I

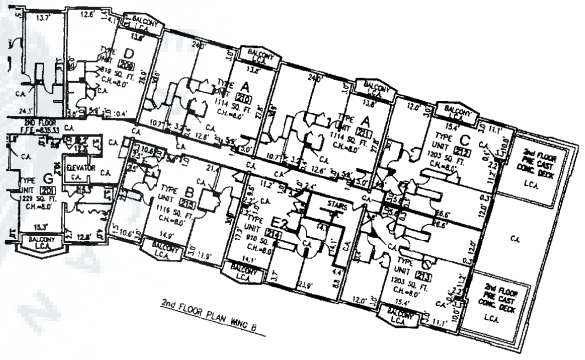
Pc 48 side 419

2000004075 PLAT $50.00
01/25/2000 02:50:19P 7 PGS
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

BUILDING 1
2ND FLOOR



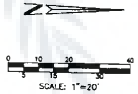
2nd FLOOR PLAN WING A



2nd FLOOR PLAN WING B

LEGEND

L.C.A. = LIMITED COMMON AREA
C.A. = COMMON AREA
[111] = TYPICAL UNIT NUMBER
F = TYPICAL UNIT TYPE
F.F.E. = FINISHED FLOOR ELEVATION
C.H. = CEILING HEIGHT
SQ. FT. = SQUARE FEET



SCALE: 1"=20'

SEE SHEET 3 FOR BENCHMARK INFORMATION.

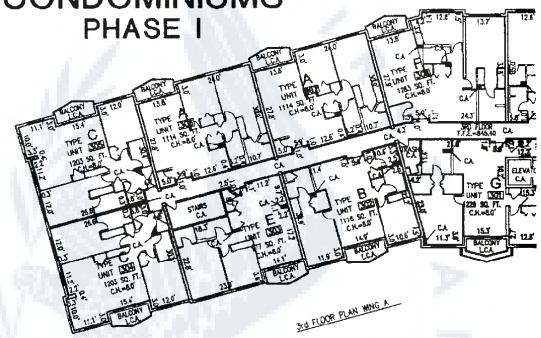
THIS INSTRUMENT PREPARED BY DENNIS K. SINGER, R.L.S. #S0470

Pc4 Slide 419

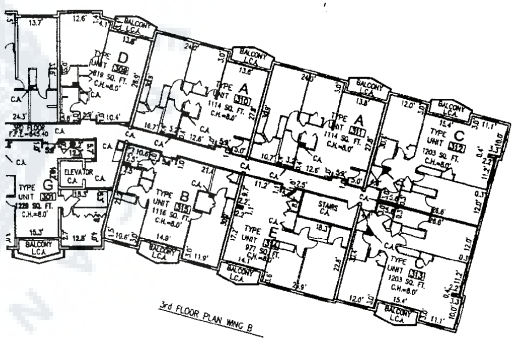
2008004275 PLAT $58.00
01/25/2008 02:53:19P 7 PGS
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

AS BUILT FLOOR PLANS OF HARBOUR TOWN CONDOMINIUMS PHASE I

BUILDING 1
3RD FLOOR



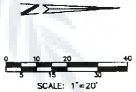
3rd FLOOR PLAN WING A



3rd FLOOR PLAN WING B

LEGEND

L.C.A. = LIMITED COMMON AREA
C.A. = COMMON AREA
= TYPICAL UNIT NUMBER
F = TYPICAL UNIT TYPE
F.F.E. = FINISHED FLOOR ELEVATION
C.H. = CEILING HEIGHT
SQ. FT. = SQUARE FEET



SCALE: 1"=20'

SEE SHEET 3 FOR BENCHMARK INFORMATION.

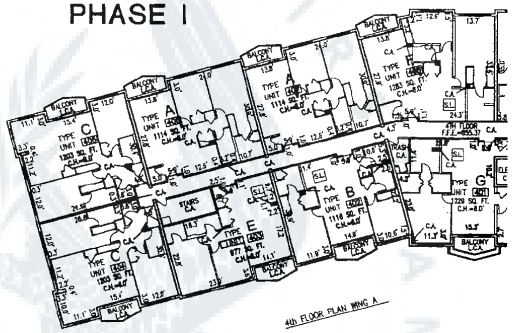
THIS INSTRUMENT PREPARED BY: DENNIS K. SINGER, R.L.S. #S0470

Pc 4 Slide 419

2006004675 PLAT $56.00
01/25/2006 02:56:19P 7 PGS
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

AS BUILT FLOOR PLANS OF HARBOUR TOWN CONDOMINIUMS PHASE I

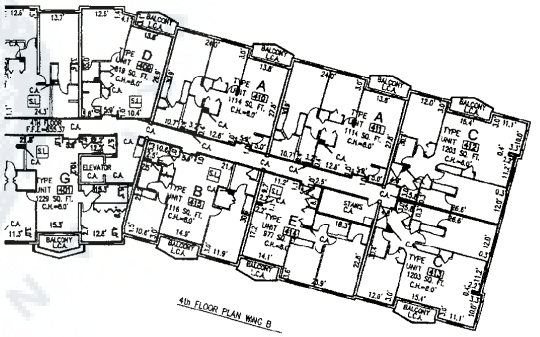
BUILDING 1
4TH FLOOR



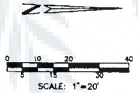
4th FLOOR PLAN WING A

LEGEND

L.C.A. = LIMITED COMMON AREA
C.A. = COMMON AREA
III = TYPICAL UNIT NUMBER
F = TYPICAL UNIT TYPE
F.F.E. = FINISHED FLOOR ELEVATION
C.H. = CEILING HEIGHT
SQ. FT. = SQUARE FEET
S.L. = SKYLIGHT



4th FLOOR PLAN WING B



SEE SHEET 3 FOR BENCHMARK INFORMATION.

THIS INSTRUMENT PREPARED BY DENNIS K. SINGER, R.L.S. #50470

HARBOUR TOWN – PHASE I, PIC JOB #040412-30400

PC4 Slide 419

HARBOUR TOWN CONDOMINIUMS
PHASE I

HARBOUR TOWN CONDOMINIUMS
BUILDING 1 PARCEL
(Part of Inst. No. 20050006184)

A part of the Southwest Quarter of Section 15, Township 19 North, Range 4 East in Hamilton County, Indiana, being described as follows:

Beginning on the West line of the said Quarter Section, South 00 degrees 14 minutes 20 seconds West 360.00 feet from the Northwest corner of the said Quarter Section; thence South 89 degrees 45 minutes 40 seconds East 40.00 feet; thence South 74 degrees 00 minutes 00 seconds East 120.00 feet; thence South 90 degrees 00 minutes 00 seconds East 60.00 feet; thence South 19 degrees 35 minutes 46 seconds East 167.00 feet; thence South 15 degrees 35 minutes 10 seconds West 100.00 feet; thence South 12 degrees 15 minutes 42 seconds East 112.00 feet; thence South 71 degrees 04 minutes 28 seconds East 75.00 feet; thence South 00 degrees 14 minutes 20 seconds West 128 feet, more or less, to the shore line of Morse Reservoir (with the water level thereof at an elevation of 810.00 feet above mean sea level); thence to the right, Southwesterly along the meandering, shore line to a point which lies South 86 degrees 45 minutes 40 seconds East 40 feet, more or less, from a point on the West line of the said Quarter Section, said point on the West line lies South 00 degrees 14 minutes 20 seconds West 1010.00 feet from the Northwest corner of the said Quarter Section; thence North 86 degrees 45 minutes 40 seconds West 40 feet, more or less, to the West line of the said Quarter Section; thence North 00 degrees 14 minutes 20 seconds East along the West line of the said Quarter Section 650.00 feet to the Point of Beginning.

Subject to a 40 foot right of way for Little Chicago Road across the entire West side of the above described tract.

The above described tract contains 3.71 acres, more or less, gross; and 3.11 acres, more or less, net of right of way.

I, the undersigned, hereby certify that this plat accurately represents a survey performed under my supervision during March, 2007, and revised October 24, 2007, of Phase I of Harbour Town Condominiums. The subject real estate contains 3.92 acres, more or less, and is improved with a four story building containing 45 condominium units, with the 1st floor being a parking garage. The size of the subject real estate, location of the building, and dimensions of the exterior walls of the building are shown in figures denoting feet and decimal parts thereof.

Witness my hand and seal this 24th day of October 2007.

Dennis K. Singer, R.L.S. #S0470

DENNIS K. SINGER REGISTERED No. S0470 STATE OF INDIANA LAND SURVEYOR

I, the undersigned, hereby certify that the within "As Built Floor Plans" for Building 1 of Harbour Town Condominiums fully and accurately depict the layout, elevation, location, unit numbers, and dimensions of the condominium units as built. I further certify that the within floor plans are an accurate representation of portions of the construction plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

Witness my hand and seal this 24th day of October 2007.

David A. Loch, P.E. #10000126

Dennis K. Singer, R.L.S. #S0470

DAVID A. LOCH REGISTERED PE 10000126 STATE OF INDIANA PROFESSIONAL ENGINEER

DENNIS K. SINGER REGISTERED No. S0470 STATE OF INDIANA LAND SURVEYOR

The undersigned, Harbour Town Ventures II, LLC, being the owner of the within described real estate does hereby create, submit, declare and subject the same to a Condominium regime containing Condominium Units, Common Area, Limited Common Area, and easements as shown on the within As Built Plans in accordance with the Declaration of Restrictions, Covenants and Easements for Harbour Town Condominiums recorded concurrently herewith.

In witness whereof, the undersigned Harbour Town Ventures II, LLC, an Indiana limited liability company, by House Investments Capital Markets VII, LLC, an Indiana limited liability company, its Manager, does hereby acknowledge and execute the foregoing plans and certificate this ____ day of ____ 2007.

HARBOUR TOWN VENTURES II, LLC, an Indiana limited liability company

By: House Investments Capital Markets VII, LLC
an Indiana limited liability company
Its Manager

By: Michael Linke

Name: ____

Title: ____

2008004875 PLAT $30.00
01/25/2008 02:58:19P 7 PGS
Jennifer J Hayden
HAMILTON County Recorder IN
Recorded as Presented

STATE OF ____ }
COUNTY OF ____ } SS:

Before me, the undersigned Notary Public in and for said County and State, personally appeared Harbour Town Ventures II, LLC, by House Investments Capital Markets VII, LLC, its Manager, by ____ its ____, who acknowledged the execution of the within plans and certificate of Harbour Town Condominiums for and in behalf of said limited liability company, for the uses and purposes therein expressed.

Witness my hand and Notarial Seal this ____ day of ____ 2007.

My Commission Expires: ____ Signature ____

County of Residence: ____ Printed ____

COMMISSION CERTIFICATE (NOBLESVILLE)

Under authority provided by I.C. 36-7-4, this plat was given approval by the Plan Commission of the City of Noblesville, Indiana, at a meeting held on the 17th day of December 2007.

NOBLESVILLE CITY PLAN COMMISSION

Steven R. Huntley, Secretary

Gretchen Hanes, President

I, as director of planning and zoning for the city of Noblesville, hereby certify that the application for approval of this plat meets all the minimum requirements set forth in the master plan of Noblesville, Indiana and such other applicable requirements contained in the code of ordinances of the City of Noblesville — December 11, 1961, as amended:

Director of Planning and Development

BOARD OF PUBLIC WORKS AND SAFETY CERTIFICATE:

This plat was given approval by the Board of Public Works and Safety of the City of Noblesville, Indiana at a meeting held on the 15th day of January 2008.

John Ditmar, Mayor

Janet S. Jaros, Clerk/Treasurer

Pursuant to the requirements of Indiana Code 36-7-4 et seq as amended or supplemented, and an Ordinance adopted by the Common Council of the City of Noblesville, Indiana, this plat was given approval by the City of Noblesville as follows:

Adopted this 16th day of January 2008.

NOBLESVILLE DEPARTMENT OF PLANNING AND DEVELOPMENT

By: ____
Steven R. Huntley, Director
Planning and Development
Noblesville, Indiana

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law."
(name) ____

SHEET 7 OF 7

THIS INSTRUMENT PREPARED BY DENNIS K. SINGER, R.L.S. #S0470

HARBOUR TOWN – PHASE I, PIC JOB #040412-30400

EXHIBIT B

First Amendment to Bylaws of
The Villas on Morse Lake and the
Condominium Owner's Association of the Villas on Morse Lake, Inc.

(Formerly Harbour Town Condominiums and The Harbour Town Condominium Owner's Associations, Inc.)

[See attached.]

FIRST AMERICAN

FIRST AMENDMENT TO BYLAWS
OF THE VILLAS ON MORSE LAKE AND THE
CONDOMINIUM OWNER'S ASSOCIATION OF THE VILLAS ON MORSE LAKE, INC.
(FORMERLY HARBOUR TOWN CONDOMINIUMS AND THE HARBOUR TOWN CONDOMINIUM OWNER'S ASSOCIATION, INC., RESPECTIVELY)

This "First Amendment to Bylaws" (the "**Amendment**") is made this 24TH day of May, 2010, to the "Bylaws of Harbour Town Condominiums and of the Harbour Town Condominium Owner's Association, Inc.," executed, approved and adopted on January 25, 2008 (the "**Original Bylaws**"). This Amendment is adopted simultaneously with the execution of the "First Amendment to Declaration of Restrictions, Covenants and Easements for Harbour Town Condominiums" (the "**Amendment to Declaration**") to which this Amendment is attached and made a part. Such "Declaration of Restrictions, Covenants and Easements for Harbour Town Condominiums," as amended by the Amendment to Declaration (collectively, the "**Declaration**"), is incorporated by this reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of the Original Bylaws as amended by this Amendment (collectively, the "**Bylaws**"). The provisions of the Bylaws shall apply to the Property and the administration and conduct of the affairs of the Condominiums and the Association.

The Original Bylaws are hereby amended as follows:

(1) Section 1.02. Incorporation of Defined Terms from Declaration. All references in the Original Bylaws to "Harbour Town Condominium Owner's Association, Inc." shall be deleted and replaced by "Condominium Owner's Association of the Villas on Morse Lake, Inc." All references in the Original Bylaws to "Harbour Town Condominiums" shall be deleted and replaced by "Villas on Morse Lake." All references in the Original Bylaws to the "Declaration" and the "Bylaws" shall refer to the Declaration and Bylaws, respectively, as such terms are defined in the first paragraph of this Amendment. Capitalized terms used in this Amendment or in the Original Bylaws and not elsewhere defined shall have the meanings ascribed to them in the Declaration. All underscored references to section numbers in this Amendment refer to the numbered sections of the Original Bylaws.

(2) Section 3.01. Management and Number; Board Composition. The last sentence of Section 3.01 is hereby deleted.

(3) Section 5.04. Special Assessments. For the avoidance of doubt, the reference to "Boat Dock Area Assessment" in Section 5.04 of the Bylaws shall be deemed to mean the fees referenced in Section 7.5 of the Amendment to Declaration.

(3) Section 6.01. Restrictions on Use. Section 6.01(a) of the Bylaws is hereby amended to provide that a Unit may be rented or leased by its Owner in its entirety only with the approval of the Association. The minimum initial term of any tenant lease for a Unit shall be two hundred seventy (270) consecutive days, rather than one hundred eighty (180) consecutive days as stated in Section 6.01(a).

(4) Ratification. Except as expressly set forth in this Amendment, all of the provisions of the Original Bylaws remain in full force and effect and are hereby ratified and confirmed.

[The signature page follows.]

IN WITNESS WHEREOF, Declarant has executed the foregoing Amendment the day and year first written above.

CATALYST HT, LLC,
a Delaware limited liability company

By: _____

Its: President

23.00
(7)

2016011753 AMND DECL $23.00
03/17/2016 11:25:08A 7 PGS
Jennifer Hayden
HAMILTON County Recorder IN
Recorded as Presented

Cross-Reference: **2008004076**
2008004075
2009044848
20100004465
2010023331

SECOND AMENDMENT TO THE DECLARATION OF RESTRICTIONS, COVENANTS AND EASEMENTS FOR THE VILLAS ON MORSE LAKE

(FORMERLY KNOWN AS HARBOUR TOWN CONDOMINIUMS)

This Second Amendment to the Declaration of Restrictions, Covenants and Easements for The Villas on Morse Lake was executed as of the date set forth below.

WITNESSETH:

WHEREAS, The Villas on Morse Lake located in Hamilton County was established by a certain Declaration of Restrictions, Covenants, and Easements which was originally recorded on January 28, 2008, as **Instrument No. 2008004075,** in the Office of the Recorder of Hamilton County, Indiana; and

WHEREAS, The First Amendment to the Declaration of Restrictions, Covenants, and Easements was recorded on May 26, 2010, as **Instrument No. 2010023331,** in the Office of the Recorder of Hamilton County, Indiana; and

WHEREAS, the Board of Directors of the Condominium Owner's Association of the Villas on Morse Lake, Inc. ("Association") recommended that a new provision be added to the Bylaws that were attached as Exhibit "D" to the Declaration of Restrictions in order to regulate leasing in the manner as set forth below; and

WHEREAS, after notice was duly given, a Special Meeting of the members of the Association was held on January 21, 2016 and subsequently reconvened on February 5, 2016, for the stated purpose of considering and voting upon this amendment; and

WHEREAS, at said meeting, the Owners representing 79.30% of the Percentage Vote of all Owners, in person or by proxy, voted in favor of amending the Declaration pursuant to the terms below; and

WHEREAS, said Owners constitute more than seventy-five percent (75%) of the Percentage Vote of all Owners; and

WHEREAS, the written approvals of the Owners are a part of the permanent records of the Association.

NOW, THEREFORE, the Declaration which is applicable to all Owners and residents within The Villas on Morse Lake is hereby amended as follows:

1. Section 6.01(a) of the Bylaws attached as Exhibit "D" to the Declaration of Restrictions is deleted and replaced with the following:

> (a) All Units shall be used exclusively for residential purposes and no Unit may be partitioned or subdivided.

2. A new Article X shall be added to the end of the Bylaws attached as Exhibit "D" to the Declaration of Restrictions as follows:

Article X
Leasing Restrictions

Section 10.1. General Purposes of Leasing Restrictions. The Association's members recognize that an owner-occupant is both psychologically and financially invested in a home to a greater extent than a renter, and thus owner-occupants maintain their property better than renters generally. The Association's members wish to insure that the residents within The Villas on Morse Lake share the same proprietary interest in and respect of the Units and the Common Areas. They also want to encourage residents to not only maintain property values but also to improve them and recognize that owner occupants have more incentive to do so compared to non-owner occupants. Thus, the provisions of this Article X shall be applicable.

Section 10.2. Limits on the Number of Leased Units ("Rental Cap"). No more than three (3) of the forty-five (45) Units may be leased or rented to non-owner occupants at any given time, except as may be otherwise provided in this Article X. The Units described in Section 10.3 below shall count towards the three (3) Unit "rental cap". If at any time such number of Units are leased or rented, an Owner who wants to rent or lease his or her Unit which is not already rented shall be placed upon a waiting list by the Board of Directors. When an existing tenant moves out, the Owner of that Unit shall immediately notify the Board of Directors or Managing Agent of such fact and that Unit cannot be re-rented until all prior Owners on the waiting list, if any, have had a chance to rent their Units. Prior to the execution of any lease, and in addition to the requirements set forth below, the Owner must notify the Board of Directors or the Managing Agent as to that Owner's intent to lease his or her Unit. After receiving such notice, the Board of

Directors or the Managing Agent shall advise the Owner if his or her Unit may be leased or whether the maximum number of Units within The Villas on Morse Lake is currently being leased. If the maximum number of Units is being leased, the Board of Directors or the Managing Agent shall also notify the Owner of that Owner's position on the waiting list.

The Rental Cap provided in this Section 10.2 will not apply to any situation where a Unit is occupied by family members of the Unit Owner. Thus, this kind of occupancy will not be considered to be a "rental" in the context of the Rental Cap, even though the Owner and occupants will still be subject to the remaining provisions and requirements of this Article X.

Section 10.3. Effective Date of "Rental Cap" on Existing Rentals. Within fifteen (15) days after the date on which this Amendment is recorded in the Office of the Recorder of Hamilton County (the "Recording Date"), the Board of Directors or Managing Agent shall provide written notice to all Owners setting forth the Recording Date and the then current address of the Managing Agent. The Rental Cap provisions of Section 10.2 shall not apply to the Owner of any Unit in The Villas on Morse Lake which, as of the Recording Date, is rented or leased by its Owner to a non-owner occupant, so long as the Owner-landlord mails or otherwise delivers to the Managing Agent of the Association (at the address shown in the notice of the Recording Date), within sixty (60) days after the Recording Date, a copy of each executed lease of such Owner-landlord's Unit (or Units) which is in effect as of the Recording Date. Such lease copies may have the rental amount deleted. The Owners of such pre-Recording Date rented Units shall not be subject to the provisions of Section 10.2, but shall be subject to the remaining provisions of this Article X. However, when the legal owners of record of any of the pre-Recording Date rented Units sell, transfer or convey such Unit(s) to another Owner after the date of recording of this Amendment, such Unit(s) shall immediately become subject to Section 10.2. The failure of any such Owner-landlord of a leased or rented Unit to deliver a copy of such pre-Recording Date lease within said sixty day period to the Managing Agent shall result in said Owner-landlord's Unit being subject to the Rental Cap (from and after the date of expiration of such pre-Recording Date lease). However, in no event shall the Rental Cap apply to any lease executed prior to the Recording Date or to any renewals thereof provided for in any such leases, so long as the Unit continues to be occupied by one or more of the non-owner occupants in possession of the Unit as of the Recording Date. Any Unit that falls under the exception of this Section 10.3 shall, nevertheless, be counted as one of the three (3) maximum Units that may be rented at any given time even though such maximum does not apply to restrict the Owner of such pre-Recording Date leased Unit.

Section 10.4. Hardship Exceptions and Waiver. Notwithstanding Section 10.2 above, if an Owner wishes to rent or lease his or her Unit, but the maximum number of Units is currently being leased, the Owner may request the

Board of Directors to waive the "rental cap" and approve a proposed lease if the Owner establishes to the Board's satisfaction that the "rental cap" will cause undue hardship. If a majority of the entire Board of Directors approves in writing of the Owner's request, the Board of Directors shall permit the Owner to rent or lease said Unit, subject to any further conditions or limitations imposed by the Board in the Board's discretion, but only if the Owner satisfies all other requirements of this Article X. Such decision shall be at the sole discretion of the Board. Examples of an undue hardship include:

(a) death, dissolution or liquidation of an Owner;

(b) divorce or marriage of an Owner;

(c) necessary relocation of the residence of an Owner to a point outside of a fifty (50) mile radius of the perimeter of The Villas on Morse Lake due to a change of employment or retirement of at least one (1) of such Owners;

(d) necessary relocation of the residence of an Owner due to mental or physical infirmity or disability of at least one (1) of such Owners;

(e) difficult local real estate market conditions; and

(f) other similar circumstances.

Section 10.5. General Lease Conditions.

(a) All leases, including renewals, shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior written approval of the Board of Directors.

(b) A copy of each executed lease by an Owner which identifies the tenant (but which may have the rental amount deleted) shall be provided to the Board of Directors or the Managing Agent by the Owner within thirty (30) days after execution.

(c) No portion of any Unit other than the entire Unit shall be leased for any period.

(d) No subleasing shall be permitted.

(e) All leases shall be made expressly subject and subordinate in all respects to the terms of the Declaration, By-Laws, Articles of Incorporation, and any rules and regulations promulgated by the Board of Directors, as amended, to the same extent as if the tenant were an Owner and a member of the Association;

(f) All leases shall provide for direct action by the Association and/or any Owner against the tenant with or without joinder of the Owner of such Unit. If such provision is not in the lease, it will be deemed to be in such lease.

(g) The Owner shall supply copies of such legal documents to the tenants prior to the effective date of the lease. The Owner and the tenant shall also submit to the Board or the Managing Agent a signed statement acknowledging that the tenant has read the "Declaration of Restrictions, Covenants and Easements", the Association's By-Laws, the Association's rules and regulations, and all amendments thereto, and that the tenant agrees to comply with all of the provisions in such documents.

(h) The Owner cannot be delinquent in the payment of any assessments or other charges to the Association. If at any time an Owner becomes delinquent, the Board shall have the right to revoke said Owner's right to lease the Owner's Unit, even if during the term of a lease.

(i) The Board of Directors shall have the power to promulgate such additional rules and regulations as, in its discretion, may be necessary or appropriate concerning leasing.

(j) All Owners who do not reside in the home shall provide the Board of Directors with the name of the tenant(s) and any other residents living in the home.

Section 10.6. One Year Waiting Period. In addition to all other provisions of this Article X, for a period of at least one (1) year after an Owner's acquisition of a Unit, said Owner cannot lease such Unit. After such time, said Unit will be eligible to be leased if all other conditions of this Article X are satisfied and provided further that the Owner is not delinquent in the payment of any assessments or other charges to the Association. Notwithstanding this Section 10.6, if an Owner wishes to lease a Unit prior to the end of the one year waiting period, the Owner may apply to the Board of Directors for a waiver. The Board may, in writing, approve an earlier lease if the Owner establishes to the Board's satisfaction that the waiting period will cause undue hardship in the manner as defined in Section 10.4 above.

Section 10.7. Owner is Still Liable. No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his or her responsibility to the Association and the other Owners for compliance with the provisions of the Declaration, the Articles of Incorporation, the By-Laws, and any rules and regulations promulgated by the Board of Directors, including the upkeep of the Unit, or from the Owner's liability to the Association for payments of assessments or any other charges.

Section 10.8. Violations. Any lease or attempted lease of a Unit in violation of the provisions of this Article X shall be voidable at the election of the Association's Board of Directors or any other Owner, except that neither party to such lease may assert this provision of this Article X to avoid its obligations thereunder. In the event of a violation, the Board of Directors, on behalf of the Association, or any Owner, shall have the right to exercise any and all available remedies at law or equity.

Section 10.9. Institutional Mortgagees. The provisions of this Article X shall not apply to any institutional mortgagee of any Unit which comes into possession of the Unit by reason of any remedies provided by law or in equity or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure. However, when a Unit is sold or conveyed by such an institutional mortgagee to a subsequent purchaser, that subsequent purchaser shall be bound by the provisions of this Article X.

Section 10.10. Burden of Proof. Anything to the contrary herein notwithstanding, if at any time a Unit is not occupied by one of the Owners thereof, there shall be a presumption that the Unit is being leased and subject to the provisions of this Article X and the Owners shall have the burden of proving to the satisfaction of the Board of Directors that the occupancy is not in violation of the terms of this Article X, including but not limited to the delivery to the Board of directors of a written statement of the nature and circumstances of the occupancy and any written document or memorandum that is the legal basis for the occupancy. For purposes of this Article X and this Section 10.10, any occupancy (including occupancy pursuant to a rent-to-buy contract or similar arrangement or pursuant to any option to purchase) by anyone other than an Owner shall be deemed to be a lease, rental or other similar arrangement, unless the Owner delivers to the Board of Directors a written purchase contract, conditional sales contract or similar contract whereby the occupant is unconditionally and presently legally obligated to purchase the Unit.

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3. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of any one Unit shall constitute a ratification of this Amendment, together with the Declaration, and all such provisions shall be covenants running with the land and shall bind any person having at any time having any interest or estate in a Unit or The Villas on Morse Lake as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease.

4. Certification. The undersigned persons hereby represent and certify that all requirements for and conditions precedent to the Second Amendment of the Declaration have been fulfilled and satisfied.

Executed this 9 day of March, 2016.

Condominium Owner's Association of
The Villas on Morse Lake, Inc., by:

Paulette A. Carson
PAULETTE A. CARSON, President

Attest:

Michael L. DeChant
MICHAEL L. DeCHANT, Secretary

STATE OF INDIANA)
) SS:
COUNTY OF Johnson)

Roxanne E Rather
Notary Public
Seal
Johnson County, State of Indiana
Commission Number 639850
Expires November 13, 2020

Before me, a notary public, in and for said County and State, personally appeared Paulette A. Carson and Michael L. DeChant, the President and Secretary, respectively, of Condominium Owner's Association of The Villas on Morse Lake, Inc., an Indiana nonprofit corporation, who acknowledged execution of the within and foregoing for and on behalf of said corporation and its members and who, being duly sworn, stated that the certifications and representations made therein are true. Witness my hand and notarial seal this 9th day of March, 2016.

Roxanne E Rather
Notary Public - Signature

Roxanne E. Rather
Printed

My Commission Expires:
Nov. 13, 2020

Residence County: Johnson

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law."
P. Thomas Murray, Jr., Esq.

This instrument prepared by, and should be returned to, P. Thomas Murray, Jr., EADS MURRAY & PUGH, P.C., Attorneys at Law, 9515 E. 59th Street, Suite B, Indianapolis, IN 46216. (317) 536-2565.