

Section 4.15. Notwithstanding anything to the contrary contained herein, the initial Board of Directors shall be made up of three persons appointed by the DJM Company, Inc. (Grantor). Such initial Board shall continue in office only until 75% of the Residences have been sold.

ARTICLE V. OFFICERS

Section 5.01. The principal officers of the Corporation shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors.

Section 5.02. The Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 5.03. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with or without cause, and his successor elected at any regular or special meeting of the Board of Directors.

Section 5.04. The President shall be the chief executive officer of the Corporation, and shall preside at all meetings of the Corporation and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5.05. The Secretary shall keep the minutes of all meetings of the Board and the Corporation; shall have charge of

such books and papers as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of Secretary.

Section 5.06. The Treasurer shall have responsibility for Corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

Section 5.07. The Officers shall receive no compensation for their services, but shall be entitled to reimbursement from the Corporation for all expenses reasonably incurred in the discharge of their duties and responsibilities.

ARTICLE VI. FINANCE AND ADMINISTRATION

Section 6.01. The Board of Directors, through the Treasurer and management agent, if any, shall keep accurate books and financial records, including, but not limited to, a detailed account of expenditures and receipts affecting the Community and its administration, and specifying the Community's operating expenses. Such expenses shall be determined and allocated as hereinafter provided.

Section 6.02. The Board shall annually cause to be prepared and distributed to each Owner an itemized accounting of the common

expenses actually incurred and paid during the preceding year together with a tabulation of the amounts collected pursuant to the annual budget or by assessment, and showing the net excess or deficit of income over expenditures plus reserves.

Section 6.03. The books and records of the Corporation, and all related documents shall be open to inspection by any Owner at all reasonable times during regular business hours.

Section 6.04. In preparing the annual budget, the Board of Directors shall include provision for reasonable anticipated expenses resulting from normal maintenance and wear and tear to the Common Areas and Facilities, any extraordinary expenses that will be required, salaries for any employees not in excess of the prevailing rate, insurance premiums, reasonable incidental expenses related to administration, any reserves required under these By-Laws or deemed necessary by the Board to meet unanticipated expenses, and such other items as may be designated as expenses of the Corporation by the Declaration, the Articles, these By-Laws, or by law. All expenses shall be itemized specifically and in detail. The anticipated amount of each such item or service shall whenever possible be determined from a contract with or estimate from a provider of such item or service; or, if there is no contract or estimate, from a good-faith determination as to the cost at which such item or service can be obtained. Each unit Owner shall be provided with a copy of the annual budget at least thirty (30) days prior to its adoption by the Board.

Section 6.05. In the event of severe damage or destruction of the property by fire or other casualty, the repair, reconstruction, or disposition of the property shall be governed by the provisions of the Indiana Horizontal Property Law.

Section 6.06. The Corporation shall maintain a reserve fund to cover major repairs and replacement of common areas and facilities. The fund shall at a minimum be equal to five percent (5%) of the current annual budget on a noncumulative basis. This fund shall be used only for major repairs and replacement of Common Areas and Facilities, and for no other purpose.

Section 6.07. (a) The rules and regulations adopted by the Board of Directors may impose reasonable fines for noncompliance with the provisions thereof, and may provide for reasonable interest and late charges on past due assessments.

(b) Any dispute, claim, or grievance arising out of, or relating to, the interpretation or application of the Declaration, Articles, By-Laws, or management agreement, if any, shall, upon request of the parties thereto, be submitted to arbitration before the disinterested members of the Board; or, if the Board or the Corporation is a party, each party shall select an arbitrator and both of the arbitrators so selected shall in turn select a third arbitrator. The commercial arbitration rules of American Arbitration Association shall be applicable to any arbitration commenced

hereunder, and the parties thereto shall accept the decision of the arbitrators as final and binding. Any management agreement shall contain provisions making this section applicable to all parties thereto.

Section 6.08. (a) The procedures in the event of attachment of mechanic's lien shall be governed by the Indiana Horizontal Property Law.

(b) All sums assessed by the Corporation but unpaid for the share of the common expenses chargeable to any Residence shall constitute a lien, as more particularly described in and governed by the Declaration and the provisions of the Indiana Horizontal Property Law.

ARTICLE VII. OBLIGATIONS OF OWNERS

Section 7.01. All Owners are obligated to pay monthly assessments imposed by the Corporation to meet the expenses set forth in its annual budget. The assessments shall be made pro rata in accordance with the percentage interest set forth in the Declaration.

Section 7.02.

- (a) Every Owner must perform promptly all maintenance and repair work within his own Residence which, if omitted, would affect the Community in its entirety or in part and Owners are hereby made expressly responsible for any damages and liabilities caused by failure to do so.
- (b) All the repairs of internal installations such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all

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other accessories belonging to a Residence shall be at the Owner's expense.

- (c) An Owner shall reimburse the Corporation for any expenditures incurred in repairing or replacing any Common Area and Facility damaged through his fault or negligence.
- (d) All Residences shall be utilized for residential purposes only.
- (e) An Owner shall not make structural modifications or alterations within his Residence without previously notifying the Corporation in writing, through the President of the Board of Directors. The Corporation shall have the obligation to answer within ten (10) days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. The Corporation shall provide the Owner with written reasons for the denial of its approval to make any proposed structural modification or alteration. No modifications whatsoever may be made to the Building exteriors.
- (f) An Owner shall not place or cause to be placed in the lobbies, vestibules and other common areas of similar nature any furniture, packages, or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.
- (g) An Owner shall grant the right of entry to any person authorized by the Board of Directors or the Corporation in case of any emergency originating in or threatening his Residence whether the Owner is present at the time or not.
- (h) An Owner shall permit other Owners, or their representatives, when so required, to enter his Residence for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.
- (i) No resident shall post any advertisements or posters of any kind on the project except as authorized by the Corporation.
- (j) Residents shall exercise extreme care about making

noises or the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.

- (k) Residents may not hang garments, rugs, or similar items from the windows or from any of the facades.
- (l) Residents may not throw garbage or trash outside the disposal installations provided for such purposes in the service areas.
- (m) No Owner, resident, or lessee shall install wiring for electrical or telephone installation or television antennae, etc., on the exterior of the building or do anything which would protrude through the walls or the roof of the building.
- (n) No animals other than common domestic pets may be kept in the building at any time. Dogs should be confined on a leash at all times and should be curbed.

Section 7.03. The Board may promulgate such additional rules and regulations regarding the operating 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 regulation and all amendments thereto to be delivered or mailed promptly to all Owners.

ARTICLE VIII. AMENDMENTS

Section 8.01. These By-Laws may be amended by the Corporation in a duly constituted meeting for such purpose upon approval of such amendments by sixty-seven percent (67%) of the Owners present and voting. In addition, if the Amendment is

(514) of the mortgagees of units must also approve such amendments.

ARTICLE IX. MORTGAGEES

Section 9.01. An Owner who mortgages his Residence shall notify the Corporation through the President of the Board of Directors, or his designee, of the name and address of his mortgagee; and the Corporation shall maintain such information in a book entitled "Mortgagees of Condominium Units."

Section 9.02. The Corporation shall, at the request of a mortgagee of a Condominium Unit, report any unpaid assessments due from the Owner of such Unit.

ARTICLE X. COMPLIANCE WITH APPLICABLE LAW

Section 10.01. Should any of these By-Laws be found to conflict with the provisions of the Indiana Horizontal Property Law, the provisions of the statute shall control.

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