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First American Title Insurance Company
Indianapolis Downtown—Corporate
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Indianapolis, IN 46204
Telephone (317) 684-7556

Subdivision Covenants and Restrictions

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MARTHA A. WOMACKS
MARION COUNTY AUDITOR

542393 JUL 24 8

DULY ENDORSED FOR TAXATION
SUBJECT TO FINAL ACCEPTANCE
FOR TRANSFER

**DECLARATION OF HORIZONTAL
PROPERTY REGIME
FOR
The Brooks, Homeowner's Association, INC.**

ARTICLE I.

SUBMISSION AND DEFINED TERMS

Section 1.01. Submission of Real Estate. (a) R/R, Inc. ("Declarant"), the Owner in fee simple of all of the real estate described on Schedule A-1 located in the City of Indianapolis, County of Marion, State of Indiana (the "Real Estate"), hereby submits the Real Estate, together with all easements, rights and appurtenances and the buildings and improvements erected or to be erected on the property (collectively, the "Property"), to the provisions of Indiana Code Article 32-25-1 *et seq.* (the "Act").

Section 1.02. Defined Terms. Each capitalized term not defined in other portions of this Declaration or in the Survey and Plans has the meaning specified in the Act.

ARTICLE II.

NAMES AND DESCRIPTION OF REAL ESTATE

Section 2.01. Names.

- (a) Condominium. The name of the Condominium is The Brooks.
- (b) Association. The name of the Association is The Brooks Homeowner's Association, Inc. (the "Association"). The Association is a corporation organized under the laws of the State of Indiana.

Section 2.02. Address. The Condominium is located at 1727A, 1727B, 1727C and 1727D North New Jersey Street, Indianapolis, Marion County, Indiana, 46202.

Section 2.03. Survey and Plans. The Property and Units are more particularly described on the Survey attached hereto as Schedule A-2 (the "Survey").

THE ASSOCIATION

Section 2.04. Authority. The business affairs of the Condominium shall be managed by the Association. The Association shall be governed by the Bylaws, attached hereto as Schedule A-4 and made a part hereof, as amended from time to time pursuant to this Declaration. The Association shall be a nonprofit corporation.

Section 2.05. Powers.

Inst # 2006-0109506

- (a) The Association shall have all the powers, authority and duties permitted pursuant to the Act necessary to properly manage the business affairs of the Condominium.
- (b) The Association may assign its future income, including its rights to receive Common Expenses, only by the affirmative vote of the fee simple owners of the majority of the Units (the owner or owners of each Unit shall be referred to herein and in the Bylaws with respect to one Unit as the "Owner" and with respect to all Units as the "Owners").

ARTICLE III.

UNITS

Section 3.01. Number of Units. There are four units in the Condominium.

Section 3.02. Identification of Units. The identification number of each Unit as shown on the Survey and Plans is 1727A North New Jersey, 1727B North New Jersey, 1727C North New Jersey and 1727D North New Jersey Street, Indianapolis, Indiana 46202.

Section 3.03. Unit Boundaries. Boundaries of each unit are located as shown on the Survey and Plans and are more particularly described as follows:

- a) Units are bound by and include interior drywall surfaces on exterior walls. The area beyond these surfaces extending to the exterior of the building are common areas.
- b) Units are bound by and include flooring finishes. The area between flooring finishes on an upper unit and drywall finishes on a lower unit are common areas.
- c) The area extending below (not including) the flooring in the two lower units is all common area. The area extending above (not including) the ceiling drywall in the upper units is common area.

Section 3.04. Party Walls. Each Unit is owned subject to, and together with the mutual easements of support and shelter over and to the party walls provided for by law. In the event, by virtue of reconstruction, repair or removal of structures supported or sheltered by the party wall, the removing Owner shall shore, reconstruct and weather proof such party wall so it can perform its function of support and shelter, and if such reconstruction, repair or removal is to be permanent, finish all surfaces exposed to weather in an architecturally finished manner consistent with the rest of the building.

ARTICLE IV.

LIMITED COMMON AREAS AND FACILITIES

Section 4.01. Common Areas and Facilities. Common Areas and Facilities (“Common Areas”) are those identified in the Act and not identified as Limited Common Areas and Facilities (“Limited Common Areas”) in Section 5.02 below.

Section 4.02. Limited Common Areas.

- (a) A “Limited Common Area” means a portion of the Common Areas, designated in this Declaration, on the Survey and Plans or by the Act for the exclusive use of only one Unit.
- (b) The following portions of the Common Areas are designated as Limited Common Areas:
 - (i) Windows, doors, walks, stairs, decks, patios, retaining walls, public utility, electrical, drainage and mechanical pipes, ducts, chases, lines, conduits, ducts and accessory fixtures serving only one Unit;
 - (ii) Street and garden lights powered from an appurtenant Unit;
 - (iii) Fences, gates, mailboxes, hedges, enclosures, and other structures and fixtures enclosing or serving only one Unit; and
 - (iv) The interior airspace of the garage located on the Property (“Garage”) shall be Limited Common Area. This area shall be divided into four parking areas. The vertical boundary between the north half of the Garage and the south half of the Garage shall be the east-west centerline of the Garage. This vertical centerline boundary shall extend from immediately above the Garage floor to immediately below the Garage ceiling. The Limited Common Area airspace boundaries for each Unit in the Garage shall extend to immediately above the Garage floor, immediately below the Garage ceiling and immediately adjacent to the Garage walls and overhead garage door. All surfaces and the Garage itself are Common Areas. The south half of the Garage airspace shall be the Limited Common Area of Units A and B (divided equally into two as shown on the survey). The north half of the Garage airspace shall be the Limited Common Area of Units C and D (again, divided equally into two); provided, however, that all units shall have the right of access through the Limited Common Area in the Garage for purposes of entering and leaving the pedestrian door located on the west side of the Garage.

Section 4.03. Allocation of Specified Common Areas. The Owners may designate part of their Common Areas from time to time for use by the other Owner or by non owners for specified periods of time or by only those persons paying special fees or satisfying other reasonable conditions for use as may be established by the Owners. Any such designation by the Owners shall not be a sale or disposition of such portion of the Common Areas.

ARTICLE V.

MAINTENANCE, REPAIR AND REPLACEMENT OF LIMITED COMMON AREAS

Section 5.01. Limited Common Areas Expense Allocation. Any expenses associated with the maintenance, repair, and replacement of Limited Common Areas shall be assessed against the Unit to which the Limited Common Areas are assigned.

Section 5.02. Maintenance. Each Owner shall maintain Limited Common Areas allocated to his/her Unit in good, sound condition and repair.

ARTICLE VI.

ALLOCATED INTERESTS IN AND EXPENSES OF COMMON AREAS

Section 6.01. Allocated Interests. An undivided interest in the Common Areas and Common Expenses is equally assigned to each unit (25% share to each unit). The assessment, collection and allocation of dues shall be determined by the Association.

Section 6.02. Votes. Each Unit shall have one vote ("Vote").

ARTICLE VII.

VOTING

Section 7.01. Owner Voting. The decision to rebuild, repair, restore or sell the Property if all or part of the Property is damaged or destroyed shall be made by a majority Vote of the Owners.

ARTICLE VIII.

AMENDING DECLARATION

Section 8.01. Amending Declaration. This Declaration may be amended at any duly called meeting in any manner not inconsistent with the Act by majority vote of the Owners and all Directors, if the Directors are different than the Owners.

ARTICLE IX.

RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 9.01. Each Unit is restricted to residential use as a single-family residence, including all professional pursuits not requiring more than occasional visits from the public or unreasonable levels of mail, shipping, trash or storage requirements.

Section 9.02. The Condominium and each Unit are subject to the restrictions of all applicable federal, state and local laws, regulations, ordinances and restrictions, including, but not limited to, historic preservation restrictions.

Section 9.03. No obnoxious or offensive activities may be carried out in any Unit, Common Area or Limited Common Area. Nothing shall be done in any Unit, Common Area or Limited Common Area which will increase the rate of insurance of the Property beyond the rates applicable for owner-occupied condominiums, without the written consent of the other Owner.

Section 9.04. Nothing shall be done to any Unit, Common Area or Limited Common Area which will impair the structural integrity of the Building or Buildings or decrease the support in the party walls. Reasonable structural changes to a Unit not affecting the support of the adjoining Unit may be undertaken without the consent of the Owner of the other Unit(s). There may be no change to the exterior color or siding material without the consent of the majority of Owners. An Owner may not make exterior improvements on a building or improvement within a Unit or a Limited Common Area, including repainting, restaining, additional architectural detailing, changing of doors, planting of gardens, entrance shrubs, construction of fences, walks, benches, architectural conceits of any nature without consent of the other Owner.

Section 9.05. The Unit may not be leased for a period of less than 7 days. It is the general intent that units at The Brooks not be held for investment properties or used as rentals for extended periods of time. When the personal situation of an owner requires a short term lease, that lease shall be approved by the majority of owners.

Section 9.06. 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 vehicles, shall have the right to enter upon the driveways, Common Areas and Limited Common Areas of the Property in the performance of their duties. An easement is also granted to all utilities and their agents for installation, replacement, repair, ingress, egress and maintenance of such utilities, including, but not limited to, water, sewer, gas, telephone, cable television and electricity on the Property; provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines, telephone lines, cable television lines, or other utilities, except as initially designed and approved by Declarant or as hereafter may be approved by the Association. By virtue of this easement the cable television, electric, and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the Property and to affix and maintain cable television, electric, and telephone wires, cables, circuits, and conduits on, above, across, and under the roofs and exterior walls of the buildings.

ARTICLE X.

MORTGAGEE PROTECTION

Section 10.01. The Association will give timely written notice to each Eligible Mortgagee and Eligible Insurer (defined as those Mortgagees and Insurers who have provided written notice to the Association and have requested to be given notices and rights of consent under this Article). Each Owner hereby consents to and authorizes such notices. The following notices shall be given and may be

sent by either Owner to the Eligible Mortgagees and/or Eligible Insurers if one Owner is subject to the condition described:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Unit in which there is a first security interest held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer as applicable.
- (b) Any delinquency in the payment of Common Expenses which has been owed by an Owner whose unit is subject to a First Security Interest held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer which remains uncured for a period of 60 days; such notice to be sent only to the Eligible Mortgagee of such Unit;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action which requires consent of Eligible Mortgagee as specified in Section 9.02 below, which notice shall be sent by registered or certified mail, return receipt requested.
- (e) Any judgment rendered against the Association.

Section 10.02. Consent Required.

- (a) No amendment of any material provision of the Condominium Declaration by the Association or the Owners may be affected without the consent of the majority of the Owners. A change to any of the provisions governing the following subjects would be considered "material":
 - (i) voting rights;
 - (ii) assessments, assessment liens, the priority of assessment liens or the subordination of the assessment liens;
 - (iii) reserves for maintenance, repair and replacement of Common Areas;
 - (iv) responsibility for maintenance and/or repairs;
 - (v) a reallocation of interest in the Common Areas or Limited Common Areas;
 - (vi) rights to use the Common Areas and Limited Common Areas;
 - (vii) redefinition of boundaries or Units;
 - (viii) converting of Units into Common Areas or Common Areas into Units;
 - (ix) insurance or fidelity bonds;

- (x) leasing of units;
- (xi) restoration or repair of the Property (after hazard damage, or partial condemnation) in a manner other than specified in the Survey and Plans;
- (xii) any action to terminate the legal status of the Association;
- (xiii) any provision that expressly benefits mortgage holders, insurers or guarantors;
- (xiv) authorization of the conveyance or encumbrance of the Common Areas;
- (xv) merger of the Association; and
- (xvi) any action failing to repair or replace the Property after hazard loss, damage or partial condemnation.

ARTICLE XI.

INSURANCE

Section 11.01. Common Area Insurance. The Association shall purchase (1) a master casualty policy, the cost of which shall be shared equally between the Owners, affording fire and extended coverage in an amount consonant with the full replacement value of the Common Areas, but not less than \$300,000; and (2) a master liability policy in an amount not less than \$300,000. The maximum deductible for both insurance policies shall be \$1,000.

The insurance referred to in this Section 12.01 shall cover: (1) the Association; (2) the managing agent, if any; and (3) all persons acting, or who may come to act, as agents or employees of any of the entities referred to in Items (1) and (2) with respect to: (A) the Condominium; (B) the Owners; and (C) all other persons entitled to occupy any Unit or other portions of the Property.

When any policy of insurance has been obtained by or on behalf of the Association, the officer required to send notices of meetings of the Association shall promptly furnish to each Owner or mortgagee whose interest may be affected written notice of: (1) the obtainment of the policy; and (2) any subsequent changes to or termination of the policy.

Section 12.02. Unit and Limited Common Area Insurance. Each Owner shall maintain at all times, at his/her sole cost and expense, casualty insurance affording fire and extended coverage in an amount consonant with the full replacement value of his/her Unit and respective Limited Common Areas, but not less than \$75,000, and liability insurance and with respect to the his/her Unit and respective Limited Common Areas in an amount not less than \$300,000.

ARTICLE XII.
EXECUTIVE BOARD

Section 12.01. The affairs of the Association shall be undertaken by the Board of Directors (“Board”) which shall act in all instances on behalf of the Association. The Board may undertake all actions provided for in the Act and the Bylaws. Each Owner shall elect one (1) Director in accordance with the Bylaws.

ARTICLE XIII.

ARBITRATION AND COLLECTION

Section 13.01. Arbitration. Except for collection of Common Expenses due under Section 12.02, in the event the Owners cannot agree on any matter, or the Board cannot make a decision because of a lack of concurrence, the dispute shall be submitted to a local trial judge for a decision. If the local trial judge will not serve, any judge selected by the local judge shall be used. The decision shall be made after notice to both parties by certified mail and an opportunity to be heard. The decision shall be final and no appeal or other relief from the decision may be pursued.

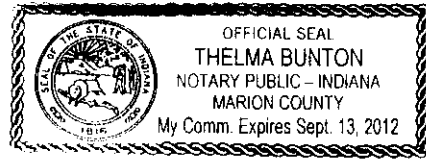
Fees for such proceedings shall be divided equally, unless the judge or his/her appointee decides otherwise for good cause shown.

Section 13.02. Collection. In the event one Owner fails to pay his/her share of any fee, charge or Common Expense, the other Owner may commence collection proceedings in the name of the Association, with all rights and powers given to such Association by the Act.

IN WITNESS WHEREOF, the undersigned, the Owner of the Property described in Schedule A-1, has caused this Declaration to be executed this ___ day of July, 2006. Unless otherwise specified herein or in the Bylaws, all actions shall be taken only with the majority consent of the Owners.

Greg Rumford
Gregg Rumford, CEO
R/R, Inc

STATE OF INDIANA)
COUNTY OF Marion)SS:



The foregoing Declaration was acknowledged before me this ___ day of July, 2006, by Gregg Rumford, CEO of R/R, Inc., as his free act and deed.

Witness my hand and Notarial Seal this 19 day of July, 2006.

My Commission Expires:

9-13-2012

Thelma Bunton
Notary Public

My County of Residence:

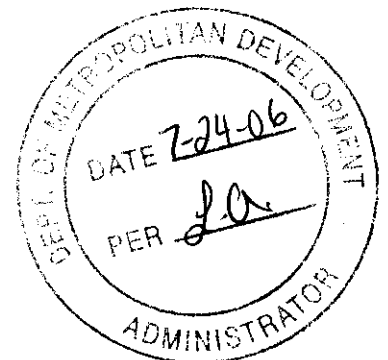
Marion

Thelma Bunton
Printed

"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." Greg Rumford



INSTRUMENT APPROVED BY
CLERK OF SUPERIOR COURT



SCHEDULE A-1

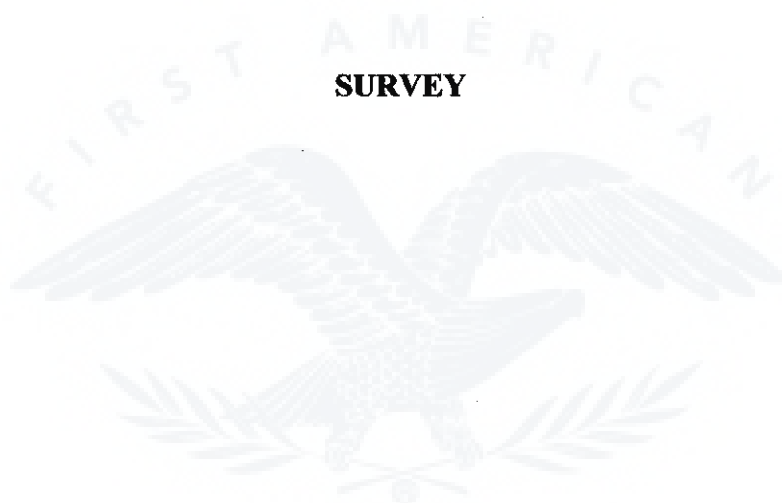
DESCRIPTION OF PROPERTY

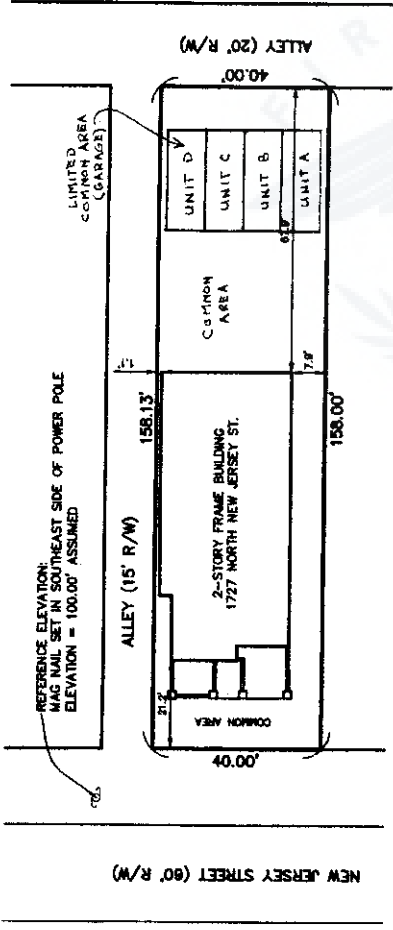
ALL THAT CERTAIN piece or parcel of land, with the buildings and improvements located thereon, situated in the City of Indianapolis, Marion County, Indiana, known as 1727A, 1727B, 1727C and 1727D North New Jersey Street, and legally described as follows: Allen and Roots North Add L183.



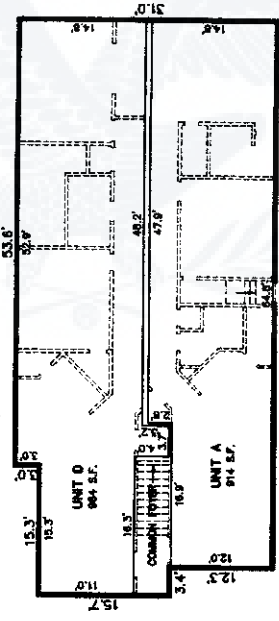
SCHEDULE A-2

SURVEY

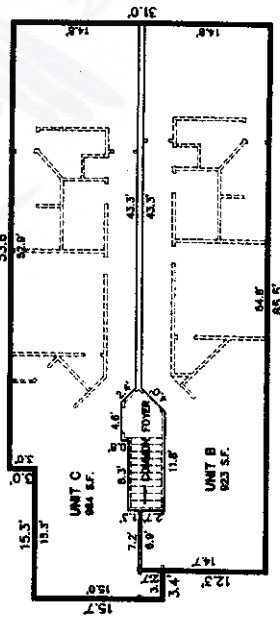




SITE PLAN
SCALE: 1"=20'



1ST FLOOR LEVEL



2ND FLOOR LEVEL

FLOOR PLAN
SCALE: 1"=10'

Parcel Description:
Lot 150 in Allen and Root North Addition, as per plat thereof recorded in Plat Book 5, Page 128 in the Office of the Recorder, Marion County, Indiana.

Surveyor's Certificate:
I, the undersigned, hereby certify to the best of my professional knowledge and belief, the plat accompany this plat is a true and correct representation of the actual conditions of the land shown thereon. I am a duly Licensed Professional Engineer in the State of Indiana. My commission expires on 04/18/2007. I am duly Licensed Professional Engineer in the State of Indiana. My commission expires on 04/18/2007. I am duly Licensed Professional Engineer in the State of Indiana. My commission expires on 04/18/2007.

Professional Engineer:
R. Eric Blumhagen
Professional Engineer License No. 1282000001
State of Indiana
County of Marion

Notary Public:
I, the undersigned, Notary Public in and for the County and State, personally appeared _____ and acknowledged the execution of this foregoing instrument on this _____ day of April, 2006.

Notary Public:
I, the undersigned, Notary Public in and for the County and State, personally appeared _____ and acknowledged the execution of this foregoing instrument on this _____ day of April, 2006.

Notary Public:
I, the undersigned, Notary Public in and for the County and State, personally appeared _____ and acknowledged the execution of this foregoing instrument on this _____ day of April, 2006.

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Notary Public:
I, the undersigned, Notary Public in and for the County and State, personally appeared _____ and acknowledged the execution of this foregoing instrument on this _____ day of April, 2006.

Notary Public:
I, the undersigned, Notary Public in and for the County and State, personally appeared _____ and acknowledged the execution of this foregoing instrument on this _____ day of April, 2006.

CHECKED BY	REB
DESIGNED BY	7-15-06 Added units to garage
REB	7-10-06 Revised Admin. Code to 32-25-1-5B(2)
DRAIN	4 Garage
AS NOTED	7-10-06 Added Garage, Limited Common Area
SCALE	REVISIONS

HORIZONTAL PROPERTY REGIME

THE BROOKS CONDOMINIUMS AT HERRON-MORTON PLACE
1727 NORTH NEW JERSEY STREET
LOT 150, ALLAN & ROOT'S ADDITION (P.B. 5, P. 129)
CENTER TOWNSHIP, MARION COUNTY, INDIANA
FOR:
RUMFORD CONSTRUCTION, INC.

MAJOR ENGINEERING & LAND SURVEYING, INC.
ENGINEERING - SURVEYING - LAND PLANNING

1515 E. 2nd St. Suite 100
Marion, Indiana 46952
Tel: (317) 921-4444

SHT: ONE OF ONE
DATE: 04/18/06
DWG. NO: 94-0744.1B3

SCHEDULE A - 3

FRONT ELEVATION OF THE BROOKS



SCHEDULE A-4
CODE OF BYLAWS
OF
THE BROOKS HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I.

Identification and Applicability

Section 1.01. Identification and Adoption. These Bylaws are adopted simultaneously with the execution of that certain Declaration of Horizontal Property Regime for The Brooks Homeowner's Association ("Declaration"), to which these Bylaws are attached and of which they are made a part. The Declaration is incorporated herein by reference and all of the covenants, conditions, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these Bylaws. The definitions and terms as defined and used in the Declaration shall have the same meanings in these Bylaws. The provisions of these Bylaws shall apply to the Property and to the administration and conduct of the affairs of the Association.

Section 1.02. Individual Application. All of the Owners, tenants, their guests and invitees, or any other person who might now or hereafter use or occupy a Unit or any part of the Property shall be subject to the rules, restrictions, terms and conditions set forth in the Declaration, these Bylaws, and the Act, as the same may be amended from time to time.

ARTICLE II.

Membership

Section 2.01. Members. Members of the Association shall be each person who is the record owner of fee simple title to a Unit. The members are also referred to herein as an "Owner" or the "Owners."

Section 2.02. Membership Certificates. The Corporation will not have membership certificates unless otherwise authorized by the Board of Directors. The form of any such certificate, if authorized, shall be prescribed by the Board of Directors.

Section 2.03. Duration of Membership; Resignation. Membership in the Association terminates automatically once a person ceases to be record owner of a fee simple title to a Unit. All rights and privileges of an Owner in the Association shall cease on the termination of membership.

ARTICLE III.

Meetings of Members

Section 3.01. Purpose of Meetings. At least annually and at such other times as may be necessary or appropriate, a meeting of the Owners 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 3.02. Annual Meeting. The annual meeting of the Owners shall be held on the fourth Thursday in April of each year, or at such other time as may be designated by the Board of Directors. The failure to hold an annual or other meeting at a time stated in or fixed in accordance with these Bylaws does not affect the validity of any Association action or work any forfeiture or dissolution of the Association.

Section 3.03. Participation. An Owner may participate in any meeting of the Owners by or through the use of any means of communication by which all Owners participating may simultaneously hear each other during the meeting. An Owner participating by this means is considered to be present in person at the meeting.

Section 3.04. Notice and Place of Meetings. All meetings of the Owners of the Association shall be held at such location and time as is agreed to by the Board of Directors, with notice thereof given ten (10) days prior to such meeting.

Section 3.05. Voting Rights.

(a) **Number of Votes.** Each Owner shall be entitled to one Vote on each matter coming before the meeting.

(b) **Multiple Owners.** When the Owner of a Unit constitutes more than one person or entity, or is a partnership, there shall be only one voting representative entitled to cast the Vote allocable to that Unit. At the time of acquisition of title to a Unit by a multiple Owner 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 representatives for such Unit, which shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order of a court of competent jurisdiction. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to Section 3.06, which shall constitute relinquishment of his right to act as voting representative for the Unit at such meeting or meetings.

Section 3.06. Voting by Proxy. An Owner entitled to vote at any meeting of the Owners may vote either in person or by proxy. An Owner may appoint a proxy to vote or otherwise act for the Owner by signing an appointment form personally or by a duly authorized attorney-in-fact of such Owner. (For purposes of this Section, a copy of a signed proxy that has been telecopied shall be deemed "signed" by the Owner.) An appointment of a proxy is valid for eleven (11) months, unless a longer or shorter period is specified in the appointment form. No proxy shall vote at any meeting of the Owners

unless the appointment form designating such proxy shall have been filed with the Secretary or other officer or agent authorized to tabulate votes.

Section 3.07. Quorum; Voting. Except where otherwise expressly provided in the Declaration, these Bylaws, or the Act, the presence of both Votes are necessary to constitute a quorum at all meetings. The terms "majority of Owners" and "majority of the vote", as used in these Bylaws, shall mean, unless otherwise expressly indicated, three of the four Votes.

Section 3.08. Conduct of Meetings. The Chairman of the meeting shall be the President of the Association. He shall call the meeting to order at the duly designated time, and business will be conducted in the following order:

- (a) **Reading of Minutes.** The Secretary shall read the minutes of the last annual meeting and the minutes of any other meeting held subsequent thereto.
- (b) **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.
- (c) **Budget.** The proposed budget for the current calendar year shall be presented to the Owners for approval or amendment.
- (d) **Appointment of Board of Directors.** Each Owner shall be entitled to appoint or re-appoint one (1) member of the Board of Directors.
- (e) **Other Business.** Other business may be brought before the meeting.
- (f) **Adjournment.** Upon completion of all business before the Association, the President, upon the motion of any Owner, may adjourn the meeting; provided, however, that no annual meeting shall be adjourned until a budget is approved by the Owners for the upcoming year.

ARTICLE IV.

Board of Directors

Section 4.01. Duties and Qualifications. The business and affairs of the Association shall be governed and managed by the Board of Directors.

Section 4.02. Number, Term, and Appointment. The Board of Directors shall consist of two (2) directors, one (1) of which shall be appointed by each Owner. Each director shall serve for a term of one (1) year. Despite the expiration of a director's term, the director continues to serve until a successor is appointed and qualifies, or until there is a decrease in the number of directors.

Section 4.03. Vacancies. Any vacancy among the directors caused by death, resignation, removal, increase in the number of directors or otherwise shall be filled by the Owner which appointed

that director. The term of office of a director chosen to fill a vacancy shall expire at the later of the next annual meeting of the Owners, or at such time as a successor shall be duly elected and qualified.

Section 4.04. Removal. Any director may be removed, with or without cause, by the Owner which appointed that director.

Section 4.05. Duties of the Board of Directors. The Board of Directors shall perform or cause to be performed, when and to the extent deemed necessary or appropriate in the Board's business judgment or in order to ensure compliance with the terms or requirements of Declarant's financing (equity or debt) then in place, or with the requirements of any local, state or federal law, rule, ordinance, or governmental entity which would then apply to the Declarant, the Property, any Unit, or the Association, the following:

- (a) Maintenance, repair and replacement of the Common Areas;
- (b) Designation and removal of personnel necessary for the maintenance, repair and replacement of the Common Areas, if any;
- (c) Procuring of utilities, removal of garbage and waste, and snow removal from the Common Areas, if any;
- (d) Landscaping, painting, decorating, and furnishing of the Common Areas, the exterior of the Buildings and walls;
- (e) Surfacing, paving, and maintaining streets, parking areas, garages, and sidewalks, and the regulation of the use thereof;
- (f) Assessment and collection from the Owners of the Owner's pro-rata share of the Common Expenses;
- (g) Preparation of the proposed annual budget, a copy of which will be delivered to each Owner at the same time as the notice of annual meeting is delivered;
- (h) Preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred during each year, which accounting shall be delivered to each Owner simultaneously with delivery of the annual budget;
- (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;
- (j) Procuring and maintaining in force all insurance coverage required by the Declaration to be maintained for the whole Regime as specified in Article 12 of the Declaration.

Section 4.06. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonably necessary or appropriate to accomplish the performance of their duties. These powers include, but are not limited to, the power:

- (a) To employ a professional manager, managing agent or real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;
- (b) To purchase for the benefit of the Owners such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors;
- (c) To procure for the benefit of the Owners fire and extended coverage insurance covering the Buildings and the Property to the full insurable value thereof, to procure public liability and property damage insurance and Workmen's Compensation insurance, if necessary, and to procure all such other insurance as is required or permitted under the Declaration, for the benefit of the Owners and the Association;
- (d) To employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Association;
- (e) To include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;
- (f) To open and maintain a bank account or accounts in the name of the Association; and
- (g) To adopt, revise, amend, and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation, and enjoyment of the Property; provided that the Board shall give written notice to the Owners of such rules and any revision, amendment, or alteration thereof.

Section 4.07. Limitations on Board Action. After the tenure of the initial Board of Directors, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than Five Thousand Dollars (\$5,000.00), unless the prior approval of both Owners present or represented at any meeting is obtained, except in the following cases:

- (i) Supervision and management of the replacement or restoration of any portion of the Common Areas damaged or destroyed by fire or other casualty, where the cost thereof is payable out of insurance proceeds actually received; and
- (ii) Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting.

Section 4.08. Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by both Owners.

Section 4.09. Annual Meetings. Unless the Board of Directors determines otherwise, the Board of Directors shall meet on the fourth Thursday in April each year, at a place specified by the Board of Directors, for the purpose of election of officers of the Association and consideration of any other business which may be brought before the meeting. No notice shall be necessary for the holding of an annual meeting.

Section 4.10. Participation. A director may participate in an annual, a regular or a special meeting of the Board of Directors by or through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating by this means is considered to be present in person at the meeting.

Section 4.11. Quorum; Voting. Both of the directors in office when action is taken shall be necessary to constitute a quorum for the transaction of any business at a meeting of the Board of Directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present when the act is taken shall be the act of the Board of Directors.

ARTICLE V.

Officers

Section 5.01. Officers and Qualifications Therefor. The principal officers of the Association shall be the President, Secretary and Treasurer, all of whom shall be elected by the Board. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 5.02. Election and Terms of Office. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each election thereof and shall hold office for a term of one (1) year and until a successor shall be duly elected and qualified, or until resignation, removal or death.

Section 5.03. Vacancies. Whenever any vacancies shall occur in any of the offices of the Association for any reason, the same may be filled by the Board of Directors, and any officer so elected shall hold office until the expiration of the term of the officer causing the vacancy and until the officer's successor shall be duly elected and qualified.

Section 5.04. Removal. Any officer of the Corporation may be removed, with or without cause, at any time upon the majority recommendation of the Board of Directors and the affirmative vote of a majority of the Owners.

Section 5.05. Compensation. The officers of the Corporation shall receive no compensation for their services in such offices.

ARTICLE VI.

Powers and Duties of Officers

Section 6.01. President. The President shall be elected from among the Owners or Directors and shall be the Chief Executive Officer of the Association. The President, if present, shall preside at all meetings of the members and the Board of Directors. At each annual meeting of the members, the President or the President's designee shall report on the activities of the Association. Subject to the general control of the Board of Directors, the President shall manage and supervise all of the affairs of the Association and shall perform all of the usual duties of the chief executive officer of an association.

Section 6.02. Secretary. The Secretary shall be elected from among the Owners or Directors. The Secretary shall attend all meetings of the members and of the Board of Directors, and prepare, keep, or cause to be kept, a true and complete record and minutes of the proceedings of such meetings. If required, the Secretary shall attest the execution by the Association of deeds, leases, agreements and other official documents. The Secretary shall attend to the giving and serving of all notices of the Association required by these Bylaws, shall have custody of the books (except books of account) and records of the Association, shall be responsible for authenticating records of the Association, and in general shall perform all duties pertaining to the office of Secretary and such other duties as these Bylaws or the Board of Directors may prescribe.

Section 6.03. Treasurer. The Treasurer shall be elected from among the Owners or Directors. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Association. The Treasurer shall have charge and custody of, and be responsible for, all funds, notes, securities and other valuables which may from time to time come into the possession of the Association and shall deposit, or cause to be deposited, all funds of the Association with such depositories as the Board of Directors shall designate. At each annual meeting of the members, the Treasurer, or the Treasurer's designee, shall report on the financial condition of the Association. The Treasurer, or the Treasurer's designee, shall furnish, at meetings of the Board of Directors or whenever requested, a statement of the financial condition of the Association, and in general shall perform all duties pertaining to the office of Treasurer.

ARTICLE VII.

Additional Rights and Duties of Board

Section 7.01. Right of Entry. An Owner of a Unit or a tenant or an occupant of part of a Unit shall be deemed to have granted the right of entry to its Unit or part of a Unit respectively, to the Board, the Managing Agent, or any person authorized by the Board in case of any emergency, in order to remedy any circumstance threatening its Unit or part of a Unit respectively, the Building in which it is located, or any person, whether the Owner or Tenant is present at the time or not. Any Owner or Tenant shall permit persons authorized by the Board to perform any work, when required, to enter his Unit or part of a Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical facilities or equipment, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergencies, such right or entry shall be immediate.

Section 7.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such reasonable rules and regulations regarding the operation of the Property as the Board may deem desirable, including but not limited to the use of the Common Areas. Such rules as are adopted may be repealed or amended by a vote of a majority of the Board. The Board shall cause copies of all such rules and regulations, including any amendments or repeals thereof, to be delivered or mailed promptly to all Owners at least fifteen (15) days prior to the effective date thereof. Any rule or regulation promulgated by the Board shall be properly and consistently enforced by the Board.

ARTICLE VIII.

Procedures for Assessments

Section 8.01. Annual Accounting. Annually, after the close of each calendar year and prior to the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared and furnished to each Owner a financial statement, which statement shall show all receipts and expenses received, incurred, and paid by the Association during the preceding calendar year.

Section 8.02. Proposed Annual Budget. Annually, on or before the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year, and furnish a copy of such proposed budget to each Owner prior to the annual meeting. 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 defined in Section 8.03) for the ensuing calendar year. At the annual meeting of the Owners, the proposed annual budget may be approved in whole or in part, or may be amended in whole or in part, by a majority of the vote present or represented at the meeting (provided that a quorum is present); provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved at such meeting.

Section 8.03. Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each Unit based on the twenty-five percent (25%) interest in the Common Areas of each Unit times the total amount of said budget (herein called the "Regular Assessment"). The Regular Assessment against each Unit shall be paid in twelve (12) equal monthly installments, commencing on the first day immediately following adoption of the budget and continuing on the first day of each calendar 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, that any Owner may elect to pay monthly Assessments in advance. The Regular Assessment for each year shall become a lien on each separate Unit as of the date of the adoption of the annual budget. Each Unit Owner shall pay to the Association a Regular Assessment based on the Percentage Interest for each Unit for payment of the Common Expenses provided for in the annual budget, including expenses for maintenance and repair of the Common Areas, necessary insurance costs, reserve funds for replacements and maintenance, costs of operation of the community activities and facilities of the Association.

Section 8.04. Special Assessments. In addition to the Assessments authorized above, the Association may levy such special Assessments as may be necessary for the purpose of defraying, in

whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto, and (2) the expense of any other contingencies or events not provided for in the annual budget or the reserves and working capital of the Association; provided that no special Assessments shall be levied without the assent of a majority of the Unit Votes cast at a meeting duly called for this purpose. Each Owner shall pay to the Association a special Assessment based on his Percentage Interest times total sum approved to meet the costs and expenses as heretofore provided. The Association may, in connection with the levy of any special Assessment, specify that the same shall be payable in installments and specify the due dates thereof.

Section 8.05. Adjustments. In the event that the approved budget and Regular Assessments plus the reserves and working capital of the Association prove insufficient to meet the Association's actual expenses in any year, such deficiencies may be corrected through one or more Special Assessments. In the event the approved and Regular Assessments exceed actual expenses in any year, such surplus shall be retained and used to offset expenses in the next year(s) or returned to the Owners in proportion to their Percentage Interests, as the Board of Directors shall elect.

Section 8.06. Temporary Budget and Assessments. If for any reason an annual budget and the annual Assessments for any year have not been determined as of the beginning of such year, the budget and Assessments in effect during the preceding year shall continue in effect until such time as the annual budget and annual Assessments are determined in accordance with the Declaration and these Bylaws; provided, however, that said preceding budget and Assessments may be increased by up to fifteen percent (15%) as the Board of Directors may deem necessary in said temporary budget and Assessments.

Section 8.07. Status of Funds Collected by Association. All funds collected pursuant to this Article VIII shall be held and expended by the Association solely for the purposes designated herein, and, except for any special Assessments that may be levied hereunder against less than all of the Owners, and except for such adjustments as may be required to reflect delinquent or prepaid assessments, shall be deemed to be held for the use, benefit, and account of all of the Owners for the payment of Common Expenses in accordance with the Owners' respective Percentage Interests.

ARTICLE IX.

Miscellaneous

Unless otherwise ordered by the Board of Directors, all written contracts and other documents entered into by the Association shall be executed on behalf of the Association by the President or the Secretary.

ARTICLE X.

Amendments

The power to make, alter, amend or repeal all or any part of these Bylaws is vested in the Owners and requires a majority of the vote. The Owners must provide notice to the directors, if they are different, of any meeting at which an amendment to the Bylaws is to be considered and voted upon.