THIS DECLARATION, made this 11th day of February, A.D. 1975, by PLANNED COMMUNITY DEVELOPMENT COMPANY, a General Partnership, hereinafter sometimes called "the Declarant", WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Article II hereof and desires to create thereon a residential community with permanent common areas and community facilities for the benefit of said community and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said community and community facilities; and to this end, desires to subject the real property described in Article II hereof to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and the subsequent owners thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an association to which should be donated and assigned the powers and duties of maintaining and administering the common areas and community facilities, administering and enforcing the within covenants and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant intends that recreational facilities and other amenities will be provided by the Association for the use and enjoyment of the membership; and

WHEREAS, the Declarant has formed or intends to form, Prestwick Community Services Association, Inc., as a non-profit corporation without capital stock under the General Laws of the State of Indiana for the purposes of carrying out the powers and duties aforesaid.

NOW, THEREFORE, the Declarant hereby declares that the real property described in Article II hereof is and shall be held, conveyed, hypothecated or encumbered, sold, leased, created, used, occupied and improved subject to the covenants, restrictions, easements, charges and liens hereinafter set forth:

ARTICLE I

Section 1. Definitions. The following words when used in this Declaration shall have the following meanings:

(a) "Association" shall mean and refer to Prestwick Community Services Association, Inc., and its successors or assigns.

(b) "The Project" or "The Property" shall mean and refer to all real property described in Article II hereof and such additions thereto as may hereafter be made pursuant to the provisions of said Article II.

(c) "Unit" shall mean and refer to an "apartment" or "condominium unit" within a Regime within the Property, or a "Lot", as hereinafter defined.

(d) "Lot" shall mean and refer to a parcel of subdivided land within the Project conveyed in fee simple, or a Unit, as hereinafter defined.

(e) "Dwelling" shall mean and refer to a single family residence within the Project, whether erected on a Lot conveyed in fee simple, or a Unit,

(f) "Common Areas" or "Community Facilities" shall mean and refer to all real property owned by the Association for the benefit, use and enjoyment of its members and all facilities and real property leased by the Association wherein the Association has acquired rights by means of contract, or rights and obligations by means of easements, grants of right-of-way or licenses.

(g) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit situated on The Property, including contract sellers, but excluding those having such interest solely as security for the performance of an obligation.
(f) "Member" shall mean and refer to every person, group of persons or entity who holds membership in the Association.

(g) "Developer" shall mean and refer to the Declarant, Planned Community Development Company, and its successors.

(h) "Exterior" shall mean and refer to all exterior surfaces of dwelling units, excepting the glass portions of windows and doors.

(i) "Regime" or "Regimes" shall mean and refer to one or several of the horizontal property or condominium regimes comprising Prestwick.

ARTICLE II

Section 1. Property Subject to Declaration. The real property which is, and shall be, held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied, and improved subject to this Declaration is located in the County of Hendricks, State of Indiana, and is more particularly described on "EXHIBIT A" attached hereto and by this reference made a part hereof.

Section 2. Additions. So long as there are Class B members of the Association, additional property may be annexed to the above-described property without the assent of the Class A members of the Association, if any; provided, however, that both the Federal Housing Administration and the Veterans Administration determine that such annexation is in accord with the general plan previously approved by them, if any. Thereafter, such additional property may be annexed only with the consent of two-thirds (2/3) of the Class A members of the Association. Any additional property so annexed, however, must be adjacent to or in the immediate vicinity of the above-described property. The scheme of the within Covenants and Restrictions shall not, however, be extended to include any such additional property unless and until the same is annexed to the real property described on "EXHIBIT A", as hereinbefore provided.

Any annexations made pursuant to this Article, or otherwise shall be by recording a Supplementary Declaration of Covenants and Restrictions among the Land Records for Hendricks County, Indiana, which Supplementary Declaration shall extend the scheme of the within Covenants and Restrictions to such annexed property. Such Supplementary Declaration may contain such complementary additions and modifications to the covenants and restrictions so forth in the within Declaration as may be necessary to reflect the different character or use, if any, of such annexed property.

ARTICLE III

Section 1. Membership. The Association shall have two classes of voting membership:

(a) With the exception of the Declarant, every person, group of persons or entity who is a record owner of a fee interest in any Unit which is or becomes subject by covenants of record to assessment by the Association shall be a Class A member of the Association, provided, however, that any such person, group of persons or entity who holds such interest solely as security for the performance of an obligation shall not be a member. Class A members shall be entitled to one vote for each Unit in which they hold the interest required for membership. In the event that more than one person, group of persons or entity is the record owner of a fee interest in any Unit then the vote for the membership appurtenant to such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit.

(b) There shall be 3400 Class B memberships in the Association which shall be issued to the Grantor or its nominee or nominees as provided in the Declaration. Each Class B membership shall lapse and become a nullity on the first to happen of the following events:

(i) thirty (30) days following the date upon which the total authorized, issued and outstanding Class A memberships equal 3300, or

(ii) on January 1, 1990; or

(iii) upon surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

ARTICLE IV

Section 1. Member's Right of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Areas and Community Facilities and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following:
(a) The right of the Association, in accordance with its Articles of Incorporation and By-laws, to borrow money for the purpose of improving the Common Areas and Community Facilities and in aid thereof to mortgage said property. The Association shall not mortgage the Common Areas or Community Facilities except by resolution approved by two-thirds (2/3) of the members of all classes. In the event of a default and foreclosure upon any such mortgage, the lender shall have the right, after taking possession of such property, to charge admission and other fees as a condition to continued enjoyment by the members and their guests, and

(b) The right of the Association to levy reasonable admission and other fees to the members of the Association and their guests for the use of any recreational facility situated upon the Common Areas or leased by the Association; and

(c) The right of the Association to take such steps as are reasonably necessary to protect the above-described property against mortgage default and/or foreclosure; and

(d) The right of the Association to limit the number of guests of members; and

(e) The right of the Association to perform delegated responsibilities of the Regimes; and

(f) The right of the Association to suspend the voting rights and the rights of use of the Common Areas and Community Facilities for any period during which any assessment remains unpaid and for any period not to exceed sixty (60) days for any violation of its published rules and regulations; and

(g) The right of the Association to dedicate or transfer all or any part of the Common Areas or Community Facilities to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration;

(h) The rights of the Fee owners of Units to a perpetual easement over any Common Area or Community Facility for such portions of their Units that may overlap said Common Areas or Community Facilities, and for necessary pedestrian ingress and egress to and from any such Unit over said Common Areas and Community Facilities.

Section 2. Rights Not Subject to Suspension. Notwithstanding anything herein contained to the contrary, the rights and easements created in paragraph (b) of Section 1 of this Article IV or Section 1 hereof and including Section 5 of Article V hereof shall not be suspended by the Association for any reason.

ARTICLE V

Section 1. Covenant for Maintenance Assessments. The Declarant for each Unit owned by it (and as hereinafter limited by the Provisions of this Declaration) and each person, group of persons or entity who becomes an Owner of a Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges against improvements, or maintenance provided by the Association, such assessments to be fixed, established and collected from time to time hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property and lot against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property and lot against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person, group of persons or entity who was the Owner of such property and Unit at the time when the assessment fell due.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, scenic enjoyment, health, welfare and safety of the residents on the Property and in particular for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and Community Facilities and for the performance of delegated duties of the Regimes from time to time accepted by the Association, including, but not limited to, the payment of taxes and insurance for said Common Areas and Community Facilities and the maintenance and lighting of streets and the provision of sanitary sewer and water services and, repair, replacement and additions thereto, and for the cost of labor, equipment and materials, management and supervision thereof.
Section 3. Artificial Assessment. The maximum annual assessment for each unit shall not exceed twenty dollars ($20.00) per month, and may be levied on a monthly, quarterly, semi-annual, or annual basis. The Board of Directors of the Association may fix the initial assessment at any amount not in excess of the maximum hereinabove provided for.

Section 4. Increase in Maximum Assessment.

(a) From and after January 1, 1976, in any event, the maximum annual assessment for all memberships may be increased by the Board of Directors of the Association, without a vote of the membership, not more than fifteen percent (15%) above the maximum annual assessment for the preceeding year, provided, however, that the maximum annual assessment shall not be decreased below the amount provided for in Section 3 of this Article.

(b) From and after January 1, 1976, the maximum annual assessment for all memberships may be increased above that established by the preceding paragraph by a vote of members, as hereinafter provided, for the next succeeding year and at the end of such year for each succeeding year. Any change made pursuant to this paragraph shall have the assent of two-thirds (2/3) of all classes of the members of the Association. A meeting of the members shall be duly called for this purpose.

Section 5. Special Assessments. In addition to the annual assessments authorized by this Article, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of all classes of the then members of the Association. A meeting of the members shall be duly called for this purpose. Any special assessment levied by the Association pursuant to the provisions of this Section shall be fixed at a uniform rate of each unit.

Section 6. Commencement of Annual Assessments. The annual assessment for each membership shall commence on the first day of the month following the conveyance of the unit to which the membership attaches. The first annual assessment for any such membership shall be made for the balance of the calendar year and shall become due and payable and a lien on the date aforesaid. Except as hereinafter provided, the assessment for any Unit for any year after the first year, shall become due and payable and a lien on the first day of said year.

It shall be the duty of the Board of Directors of the Association to periodically fix the amount of the annual assessment against each Unit for each assessment period and the Board of Directors shall make reasonable efforts to fix the amount of the assessment against each for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Units and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the Owner of any Unit subject thereto.

Section 7. Assessment of Declarant. Any provision of this Declaration or of the Articles of Incorporation or By-Laws of the Association notwithstanding, the Declarant shall be required to pay an annual assessment for any Unit in which it has the interest; otherwise required for Class A membership only in an amount equal to twenty-five percent (25%) of the annual assessment which the Association levies for such Class A membership. Provided, however, that for so long as Declarant holds Class B memberships, Declarant shall pay, in addition to twenty-five percent (25%) of the annual assessment as aforesaid, all operating deficits suffered by the Association. The foregoing shall not apply to any Unit which is completed and held by the Declarant for rental purposes.

Section 8. Assessment Certificates. The Association shall, upon demand, at any reasonable time, furnish to any Owner liable for assessment a certificate in writing signed by an officer or other authorized agent of the Association, setting forth the status of said assessment; i.e. whether the same is paid or unpaid. Such certificates shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Ten Dollars ($10.00) may be levied in advance by the Association for each certificate so delivered.

ARTICLE VI

Section 1. Non-Payment of Assessment. Any assessment levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with such interest thereon and cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the property which shall bind such Unit in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall also remain his personal obligation for the statutory period.
If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property (to the same extent, including a foreclosure sale and deficiency decree, and subject to the same procedures as may then be applicable to mortgages under the law of the State of Indiana), in either of which events interest, costs and reasonable attorneys' fees shall be added to the amount of each assessment. No Owner may waive or otherwise escape liability for the assessments herein provided for by non-use of the Common Areas or Community Facilities or abandonment of his Unit.

Section 2. Subordination Provision. The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the Unit subject to assessment, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. In addition, said lien shall be subordinate to the lien securing the applicable Regime for unpaid common expense assessments. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

ARTICLE VII

Section 1. Services for Renters. In addition to maintenance upon the Common Areas and Community Facilities, as elsewhere herein provided, the Association may provide such services as are from time to time agreed upon with a Regime or Regimes, including, but not limited to, exterior maintenance, grounds maintenance, management and accounting services.

Section 2. Access at Reasonable Times. For the purpose solely of performing the required maintenance authorized by this Article, The Association, through its designated agents or employees, shall have the right, after reasonable notice to the Owner, on entering upon any Unit at reasonable hours on any day except Sunday.

ARTICLE VIII

Section 1. Architectural Control Committee. Except for original construction, as otherwise in these Articles provided, in building, fences, walls or other structures shall be constructed, attached, or installed upon the Property, or in any exterior addition to or change (including any change in color or alteration thereof) be made until plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of material design, color and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by the Architectural Control Committee comprised of not less than three (3) members appointed by the Board of Directors. In the event the Board of Directors, or its designated committee, fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. Fences. Except for original construction, no fence, hedge or wall shall be constructed upon the Property without the prior written approval of the Architectural Control Committee.

Section 3. Prohibited Uses and Uses. Except for the activities of the Developer during original construction:

(a) No noxious or offensive trade or activity shall be carried on upon any Lot or within any Dwelling situated upon the Property, nor shall anything be done thereof or therein which may be or become an annoyance or nuisance to the neighborhood or the other Owners of the Property.

(b) The maintenance, keeping, boarding and/or raising of animals, livestock or poultry shall be kept, regardless of whether they are necessarily prohibited on any Lot or within any Dwelling situated upon the Property, except that this shall not prohibit the keeping of dogs, cats and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes.

(c) No burning of any trash and no accumulation or storage of litter, new or used building materials, or trash of any kind shall be permitted on any Lot.

(d) Except as hereinafter provided, no junk vehicle, commercial vehicle, trailers, truck, camper, camp truck, house trailer, boat or the like, shall be kept upon the Property (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of its Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles or the like.

(e) Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection.
In part, no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken and no such agreement to change shall be effective with respect to any permanent easements or other permanent rights or interests relating to the Common Areas herein created.

Section 2. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers his title to any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, easements, charges and liens set forth in this Declaration. Provided, however, that the failure of any deed to so incorporate by reference shall not affect the validity of such deed nor shall it be deemed to release the Property conveyed from the effect hereof.

Section 3. Notices. Any notice required to be sent to any member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known address of the person who appears as member or Owner on the records of the Association at the time of such mailing.

Section 4. Enforcement. These covenants and restrictions may be enforced by the Association or any Owner. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain the violation or to recover damages, and against the land to enforce any lien created by these covenants; and the failure of forbearance by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or by recovery of damages.

Section 5. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any common areas or community facilities by any public or municipal agency, authority or utility.

Section 6. Repeal of Ordinance. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provision hereof, each of which shall remain in full force and effect.

Section 7. FHA/VA Approval. So long as there is any Class B membership of the Association outstanding and any mortgage or deed of trust secured by any unit which is part of The Property, or any loan, bond, note, or other obligation securing thereof, is then insured by the Federal Housing Administration or guaranteed by the Veterans Administration the following actions shall require the prior written approval of the Federal Housing Administration and/or the Veterans Administration:

(a) Any amendment or addition made pursuant to Article II, Section 2 of this Declaration, and

(b) Any merger or consolidation of the Association with another or any sale, lease, exchange or other transfer of all or substantially all of the assets of the Association to another, and

(c) Any sale, transfer, mortgage, assignment or dedication of any of the Common Areas or Community Facilities; and

(d) Any amendment of this Declaration or of the Articles of Incorporation of the Association or the dissolution of the Association.

IN WITNESS WHEREOF, the said PLANNED COMMUNITY DEVELOPMENT COMPANY, a General Partnership, has on the 4th day of January, 1975, caused these presents to be executed by MICHAEL S. WOLFF, as the act and deed of PLANNED COMMUNITY DEVELOPMENT COMPANY.

PLANNED COMMUNITY DEVELOPMENT COMPANY, an Indiana General Partnership

By: EDELMAN & WOLFF INVESTMENTS, a General Partnership

By: MICHAEL S. WOLFF, General Partner

STATE OF INDIANA

COUNTY OF MARION

I HEREBY CERTIFY that on the 4th day of February, 1975, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally submitted to me the instrument described above, and that the same was executed by the person or persons whose names are subscribed thereto.
Section 2. The Property or The Project. "The Property" or "The Project" shall mean and refer to all real property described in that certain Declaration made by Planned Community Development Company, dated February 4, 1975, and such additions thereto as may thereafter be made pursuant to the provisions of said Declaration.

Section 3. Declaration. "Declaration", as used herein, means that certain Declaration made the 4th day of February, 1975, by the Grantor, and which Declaration is recorded as Instrument No. 6410 in Book 68 at pages 55-74 in the Office of the Recorder for Hendricks County, Indiana.


Section 5. Mortgage. "Mortgage", as used herein, shall include deed of trust, and the term "holder" or "mortgagee" shall include the party secured by any deed of trust or any beneficiary thereof.

Section 6. Regime. "Regime", as used herein, means any portion of the Project declared to be subject to the Horizontal Property Act.

Section 7. Unit. "Unit", as used herein, means and refers to an "apartment" or "condominium unit", within the Project, or a "Lot", as hereinafter defined.

Section 8. Lot. "Lot", as used herein, means a parcel of subdivided land within the Project conveyed in fee simple, or a Unit, as hereinbefore defined.

Section 9. Dwelling. "Dwelling", as used herein, means and refers to a single family residence within the Project, whether erected on a Lot conveyed in fee simple, or a Unit.

Section 10. Council of Co-Owners. "Council of Co-Owners", whenever used herein, shall be deemed to mean and refer to the Board of Administrators of a Regime.

Section 11. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE III

Membership

Section 1. Membership. The Association shall have two classes of voting membership:

(a) Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who, as a record owner of a fee interest in any lot which is or becomes subject by covenant of record to assessment by the Association shall be a Class A member of the Association provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely for security for the performance of an obligation shall not be a member solely on account of such interest.

(b) There shall be 3400 Class B memberships in the Association which shall be issued to the Grantor or its nominee or nominees as provided for in the Declaration. Each Class B membership shall lapse and become a nullity on the first to happen of the following events:

(i) thirty (30) days following the date upon which the total authorized, issued and outstanding Class A memberships equal 3300, or

(ii) on January 1, 1990; or

(iii) upon surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Section 2. Membership Certificates. In the event the Board of Directors considers it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Association is organized under the laws of the State of Indiana the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon fulfillment of the transfer of title to the lot to which such membership is appurtenant. Membership is not otherwise transferable. Every membership certificate shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary and shall be sealed with the corporate seal. Such signatures and seal may be original or facsimile.
Section 3. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder or holders of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association on account of the issuance of such new certificate.

Section 4. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association each Class A member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the members an amount equal to that proportion of such assets which the number of Class A memberships held by such member bears to the total number of Class A memberships then issued and outstanding, but in no event shall a member receive an amount greater than the total of the amounts advanced or loaned by him to the corporation, plus the amounts paid in by him as membership dues or otherwise, together with interest at the rate of eight percent (8%) per annum.

ARTICLE IV

Meeting of Members

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members of the Association shall be held at such time and place within Hendricks County, Indiana as may be designated by the Board of Directors; provided, however, that the first annual meeting of members shall be held within thirty (30) days from the date of the occurrence or date described in Article III, Section 1, (i), (ii), or (iii), but in no event shall such meeting be later than six (6) months after the conveyance of the first unit in Prestwick. Thereafter, the annual meetings of the members shall be held on the 3rd day of each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The members may also transact such other business as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by at least twenty percent (20%) of each class of the then members, having been presented to the Secretary; provided, however, that no special meeting shall be called, except upon resolution of the Board of Directors, prior to the first annual meeting of members as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Advisory Meetings. The membership may, from time to time, convene advisory meetings. The elections, resolutions and actions taken at such advisory meetings shall not bind the Association, its Directors or Officers, but shall be advisory only. All such advisory elections, resolutions and actions shall nevertheless be in accord with these By-Laws.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Association or if no such address appears, at his last known place of address, at least ten (10) but not more than thirty (30) days prior to such meeting. Notice by either such method shall be considered as notice served. Attendance by a member at any meeting of the members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 6. Quorum. The presence, either in person or by proxy, of members representing at least fifty-one percent (51%) of the then members of record, shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 7. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not been obtained, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.
Section 8. Voting. At every meeting of the members, each Class A member shall have the right to cast one vote for each Class A membership which he owns on each question. Each of the Class B members shall have the right to cast one vote for each Class B membership which he owns on each question. The vote of the members representing fifty-one percent (51%) of the total of the membership present at the meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of statute or of the Articles of Incorporation, or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all the co-owners of any membership who are present at any meeting of the members are unable to agree upon the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association prior to the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Whenever in these By-Laws any action is required to be taken by a specified percentage of "each class of the then members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding Class A members of the Association and the specified percentage of the then outstanding Class B members of the Association. Whenever in these By-Laws any action is required to be taken by a specified percentage of "both classes of the then members" of the Association or by a specified percentage of the "then members" of the Association then such action shall be required to be taken by the specified percentage of the then outstanding cumulative membership of the Association.

Section 8. proxies. A member may appoint any other member or the Grantee of Management Agent as his proxy. In no case may any member appoint the Manager or the Management Agent as his proxy. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. Unless otherwise stated to the contrary, the proxy shall continue until revoked by a written notice received at the Secretary's office before the day of the meeting.

Section 8. rights of mortgagees. Any institutional mortgagee of any lot who desires notice of the annual and special meetings of the members shall notify the Secretary in that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the members shall be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in Section 5 of this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members present at any such meeting. Such representative shall have no voting rights at any such meeting.

Section 10. Order of Business. The order of business at all regularly scheduled meetings of the members shall be as follows:

(a) Roll call and certificate of proxies.
(b) Proof of notice of meeting or waiver of notice.
(c) Reading and disposition of minutes of preceding meeting.
(d) Reports of officers, if any.
(e) Reports of committees, if any.
(f) Unfinished business.
(g) New business.
(h) Election or appointment of inspectors of election.
(i) Election of directors.
(j) Adjournment.

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.
ARTICLE V

Directors

Section 1. Number and Qualifications. The affairs of the Association shall be governed by the Board of Directors composed of an uneven number of at least three (3) natural persons (the number of Directors shall from time to time be adjusted in order to provide equitable representation of each Regime from time to time existing in Prestwick, all of whom (after the lapse of all of the Class B memberships as provided in Article III of these By-Laws) shall be members of the Association.

To be eligible for election as a Director, a person shall have been nominated as a candidate for such office by the Council of Co-Owners in the Regime in which he owns a condominium unit, as hereinafter provided, or the Class B member.

Section 2. Nomination of Directorial Candidates – Representation of Regimes. The Council of Co-Owners of each Regime in Prestwick shall nominate its candidates for the Board of Directors of the Association and shall certify in writing to the Association its selection of candidates. After the lapse of all Class B memberships, each Regime shall be represented by at least one Director. In the event that the number of Regimes is at any time an even number, there shall be one Director nominated and elected at large and not nominated by a Regime.

Section 3. Initial Directors. The Initial Directors shall be selected by the Grantor and need not be members of the Association. The names of the Directors who shall act as such until the first annual meeting of the members or until such time as their successors are duly chosen and qualified are as follows:

Michael S. Wolff, Lawrence Lawson, James Poult

Section 4. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

To provide for the

(a) care, upkeep and surveillance of the common areas and community facilities and in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(b) establishment, collection, use and expenditure of assessments and/or carrying charges from the members and to provide for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) designation, hiring and/or dismissal of the personnel necessary for the good working order of the common areas and community facilities and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) the provisions of recreational facilities, whether acquired and owned by the Association or provided by means of contract with others.

(e) promulgation and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the common areas and community facilities as are designated to prevent unreasonable interference with the use and occupancy of the common areas and community facilities by the members, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration.

(f) authorization, in their discretion, of patronage refunds from residual receipts when and as are reflected in the annual report.

(g) acquisition of water and sanitary sewer services for the Project by means of contract with such utility company or companies as may now or hereafter make such services available, as agent for the Members and not as a public utility company.

Section 5. Budget. The Board of Directors, with the assistance and counsel of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Association to meet its annual expenses for that period. The budget herein required to be prepared and adopted by the Board of Directors shall be in format consistent with the classification of the accounts of the Association as hereinafter in these By-Laws provided for, and shall provide for sufficient estimates, on a monthly basis, to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Association on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be furnished to the Members and may be subject to amendment.
get shall be available for examination by the members and by their duly authorized agents and attorneys, and to the institutional holder of any first mortgage on any lot in the project and by their duly authorized agents and attorneys, during normal business hours, for purposes reasonably related to their respective interests.

Section 6. Management Agent. The Board of Directors may employ for the Association a management agent (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Association shall not employ any new Management Agent without thirty (30) days prior written notice to the institutional holders of all first mortgages on the lots and the Association shall not undertake "self-management" or otherwise fail to employ a professional manager or management agent without the prior written approval of all of the institutional holders of such first mortgages.

Section 7. Election and Term of Office. The term of the Directors named herein and in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. The election of Directors shall be by ballot, unless balloting is dispensed with by the unanimous consent of the members present at any meeting, in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the members, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other Director or Directors shall be fixed at one (1) year. Directors shall hold office until their successors have been elected and hold their first meeting. In the alternative, the membership may, by resolution duly made and adopted at such first annual meeting, or at any subsequent annual meeting, elect to fix the term of each Director elected at such meeting at one (1) year. Unless the members shall resolve to fix the term of any Director at one (1) year, at the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years.

Section 8. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 9. Removal of Directors. At a regular meeting, or special meeting duly called for such purpose, held only after the first annual meeting of members, as hereinafter provided for, any Director may be removed with or without cause by the affirmative vote of the majority of the entire membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who is a Class A member and who becomes more than sixty (60) days delinquent in payment of any assessments, and/or carrying charges due the Association may be terminated upon resolution of the remaining Directors and the remaining Directors shall appoint his successor as provided in Section 7 of this Article.

Section 10. Compensation. No compensation shall be paid to Directors for their services as Directors. After the lapse of all of the Class B memberships as provided for in Article III of these By-Laws, no remuneration shall be paid to any Director who is also a Class A member of the Association for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

Section 11. Organization Meeting. The first meeting of a newly elected board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present at such first meeting.

Section 12. Regular Meetings. 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, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least sixty (60) days prior to the day named for such meeting.

Section 13. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Directors.
Section 14. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 15. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 16. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 17. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Prior to the lapse of all of the Class B memberships as provided in Article III of these By-Laws, the officers of the Association need not be members of the Association. Thereafter, except for the President, the officers of the Association need not be members of the Association. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association 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 of Directors.

Section 3. Removal of Officers. 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 meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members 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 of a corporation, including, but not limited to, the power to appoint committees from among the membership from time to time as he may, in his discretion, deem to be appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association. He shall have custody of the seal of the Association and shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct, and he shall, in general, perform all the duties incidental to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping (or causing to be kept) full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit (or causing the deposit) of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.
ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors: The Association shall indemnify every Officer and Director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any Officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an Officer or Director of the Association whether or not such person is or an Officer or Director at the time such expenses are incurred. The Officers and Directors of the Association shall not be liable to the member of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct, or bad faith. The Officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for therein shall not be exclusive of any other rights to which any Officer or Director of the Association or former officer or Director of the Association may be entitled.

Section 2. Common or Interested Directors: The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm or association (including the Grantor) in which one or more of the Directors of the Association are directors or officers or are peculiarly or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) the fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof at the time, and the Board, authorities, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose;

(b) the fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose;

(c) the contract or transaction is commercially reasonable in the Association of the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereon to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII

Management

Section 1. Management and Common Expenses: The Association, acting by and through its Board of Directors, shall manage, operate and maintain the common areas and community facilities and, for the benefit of the members, shall enforce the provisions hereof and shall pay out of the common expenses (and hereinbefore provided for) the following:

(a) the cost of providing water, sewer, electricity, heat, gas, garbage and trash collection, and/or other utility services for the common areas and community facilities, and providing water and sewer service for the Dwellings and Units in the Project as agent for the Members and not as a public utility company; and

(b) the cost of fire and extended liability insurance on the common areas and community facilities and the cost of such other insurance as the Association may elect; and

(c) the cost of the services of a person or firm to manage the common areas and community facilities to the extent deemed advisable by the Association consistent with the provisions of the Declaration and these By-Laws, together with the services of such other personnel as the Board of Directors of the Association shall consider necessary for the operation of the common areas and community facilities; and

(d) the cost of providing recreational facilities by means of contracting therefor with others and/or leasing such facilities as are from time to time deemed...
(e) the cost of providing such legal and accounting services as may be considered necessary to the operation of the common areas and community facilities; and

(f) the cost of painting, maintaining, replacing, repairing and landscaping the common areas and community facilities and such furnishings and equipment for the common areas and community facilities and the Board of Directors shall have the exclusive right and duty to acquire the same; and

(g) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the common areas or community facilities; and

(h) the amount of all taxes and assessments levied against the Association or upon any property which it may own, or which it is otherwise required to pay, if any; and

(i) any amount necessary to discharge any lien or encumbrance levied against the common areas or community facilities, or any portion thereof.

Section 2. Capital Contributions. The Board of Directors may, from time to time, require each Class A member to make periodic contributions to the capital of the Association which contributions shall be treated as paid-in-surplus and shall be maintained in a segregated trust account. Such funds shall be withdrawn from trust and expended only for deferred maintenance replacement of capital assets and the extraordinary repair and maintenance of capital assets. When paid, such contributions to capital shall not be withdrawn nor applied to offset regular or special assessments, but shall be regarded as an appurtenance to the Unit owned by the member making such capital contributions and shall be regarded as transferred to the grantee of such Unit upon the conveyance thereof.

Section 3. Management Agent. The Association may contract in writing, to delegate any of its ministerial duties, powers or functions to the Management Agent. Neither the Association nor the Board of Directors shall be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 4. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant, at the request of Grantor) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the common areas and community facilities as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common areas and community facilities and for the preservation of the health, safety, convenience and/or welfare of the members or the Grantor.

Section 5. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common areas or community facilities or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common areas or community facilities. No diminution or abatement of assessments, as hereinafter where or in the Declaration provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common areas or community facilities, or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 6. House Rules. There shall be no violation of any rules for the use of the common areas or community facilities, or other "house rules", which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt such rules.

ARTICLE IX

Insurance

Section 1. Insurance. The Board of Directors shall obtain and maintain, to the extent reasonably available, at least the following:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement cost" exclusive of land, foundation and excavation) of the common areas and community facilities (including all building service equipment and the like) with an "agreed amount endorsement,
Board of Directors with the assistance of the insurance company affording such coverage, such coverage to afford protection against at least the following:

(i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement; and

(ii) such other risks as shall customarily be covered with respect to property similar in construction, location and use, including, but not limited to, cost of demolition, vandalism, malicious mischief, windstorm, water damage, machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

(b) Public liability insurance, with a "severability of interest" endorsement, in such amounts and in such forms as may be considered appropriate by the Board of Directors including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, liability for property of others, and any and all other liability incident to the ownership and/or use of the common areas and community facilities or any portion thereof; and

(c) Workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(d) A "Legal Expense Indemnity Endorsement", or "Directors and Officers" Policy affording protection for the officers and directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or director shall have been made a party by reason of his or her services as such; and

(e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 16 of Article V of these By-Laws, as are or shall hereafter be considered appropriate by the Board of Directors.

Section 3. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written with a company or companies licensed to do business in the State of Indiana and holding a rating of "A++" or better in Best's Insurance Guide.

(b) Executive authority to negotiate leases under said policies shall be vested in the Board of Directors or its authorized representative.

(c) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to any and all insureds named therein.

(d) All policies shall contain a waiver of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

ARTICLE X

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association which shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the common areas and community facilities, services provided with respect to the same and any other expenses incurred by the Association. That account of any assessment required for payment of any capital expenditures or reserves of the Association may be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution by the members. The receipts and expenditures of the Association shall be credited and charged to other accounts under at least the following classifications:
(e) "Current Operations", which shall involve the control of actual expenses of the Association including reasonable allowances and necessary contingencies and working capital funds in relation to the assessments and expenses hereinafter provided for; and

(b) "Capital Contributions", which shall involve the control of capital contributions held by the Association in a segregated trust fund for designated special purposes.

(c) "Investments", which shall involve the control over investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and

(l) "Betterments", which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement and/or for expenditures for additional capital improvements or personal property made or acquired by the Association with the approval of the Board of Directors.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Association shall furnish its members and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Association.

Section 4. Inspection of Books. The books and accounts of the Association and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association and/or their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any lot and/or its duly authorized agents or attorneys, during normal business hours, for purposes reasonably related to their respective interests.

Section 5. Principal Office - Change of Same. The principal office of the Association shall be as set forth in Article I of these By-Laws. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 6. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, and all checks shall be executed on behalf of the Association by such officers, agents, or other persons as are from time to time so authorized by the Board of Directors.

Section 7. Seal. The Board of Directors may provide a suitable corporate seal containing the name of the Association which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XI
Amendment

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of members representing a majority of the then members of record, at any meeting of the members duly called for such purpose, but only after thirty (30) days' prior written notice to the institutional holders of all first mortgages on the lots subject to assessment by the Association. Amendments may be proposed by the Board of Directors or by petition signed by members representing at least Thirty percent (30%) of the then total membership. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XII
Mortgages - Notice

Section 1. Notice to Board of Directors. Any member who mortgages the lot to which his membership is appurtenant shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a

conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain a suitable roster pertaining to such mortgages. Any mortgagee of any lot which desires that a record of its name and address be maintained by the Association for purposes of assisting in compliance with the notice provisions of these By-Laws may forward such information to the Secretary.
Section 2. Consents. Any other provision of these By-Laws or of the Declaration to the contrary notwithstanding, the Association shall not take any of the following actions, nor shall the members or the Board of Directors institute any proceeding to take any of the following actions, without the prior written consent of all institutional first mortgagees of record which own a mortgage or mortgages of an aggregate face value of $150,000.00 or more:

(a) abandon or terminate the Declaration; or

(b) modify or amend any provisions of these By-Laws or of the Declaration; or

(c) modify the method of determining and collecting common expense assessments and/or other assessments as provided in the Declaration; or

(d) mortgage, partition, subdivide, transfer or otherwise dispose of any of the common areas or community facilities; or

(e) resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the common areas and community facilities.

Section 3. Definition. As used in this Article, the term "mortgagees" shall mean any mortgagee and shall not be limited to institutional mortgagees and the term "mortgages" shall include a deed of trust. As used generally in these By-Laws, the term "institutional holder" or "institutional mortgagees" shall include the insurer of any mortgage, banks, trust companies, insurance companies, savings and loan associations, pension funds, real estate investment trusts, FNMA, FHLMC, and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof.

ARTICLE XIII
Interpretation - Miscellaneous

Section 1. Conflict. These By-Laws are subordinate and subject in all respects to the provisions of the Declaration. All of the terms herein, except where clearly repugnant to the context, shall have the same meaning as in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

Section 2. Committees. The Board of Directors may, from time to time, appoint such committees as it considers necessary or appropriate from the membership of the Association each of which shall consist of a chairman and at least two (2) other members. Any committee so appointed shall serve at the pleasure of the Board of Directors.

Section 3. Notices. Unless another type of notice is hereinbelow specifically provided for, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 4. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 5. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 6. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 7. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.
AMENDED RESTRICTIVE COVENANTS

These Amendments to Restrictive Covenants, made this 6th day of June, 1988, by Prestwick Sales, Inc., hereinafter referred to as the declarant:

WHEREAS, declarants are the owners of two-thirds (2/3) of the lots of certain property located in Hendricks County, Indiana, described as follows:

Part of the Southeast quarter of Section Nine, Township 16 North, of Range 2 East of the Second Principal Meridian, in Washington Township, Hendricks County, Indiana

And, WHEREAS, the foregoing real property has been platted and subdivided, and is now known as Glen Eagles Addition, an addition to Prestwick, a planned unit development in Hendricks County, Indiana, as per plat thereof recorded 9/18/86 in plat Book 11, page 121-122 and amended on 6/24/87 and recorded 5/14/87 in plat book 12, page 37-38, in the Office of the Recorder of Hendricks County, Indiana; and,

WHEREAS, declarant, Prestwick Sales, Inc. owns eleven (11) of the eighteen (18) lots platted, and declarant Bunker Investments owns lot number seven (7), pursuant to paragraph twenty (20), whereby a vote of at least two-thirds (2/3) of the owners of the lots in the addition, agree to change or terminate these covenants in whole or in part.

WHEREAS, the owners of record of two-thirds (2/3) of the lots platted and known as Glen Eagles, wish to, and agree to, amend the Restrictive Covenants which were recorded on the 18th day of September, 1986, at Plat Book 11, page 121-122.

NOW, THEREFORE, Declarants, for and in consideration of the premises and the amendments contained herein does hereby impose upon the said real property, the following amendments to the Restrictive Covenants previously recorded:

1. Paragraph number four (4) is now declared null and void and replaced and superseded by the following paragraph number four (4):

ENTERED FOR RECORD:
JUN 9 1988 REC 79-701

[Signature]
4. No residence, dwelling house, garage, servant’s quarters or other structure of any nature will be permitted to use vinyl or aluminum siding as exterior finish construction material. Approval by the Building Control Committee to be evidenced by a written instrument and stamped approval executed by the Building Committee and delivered to the person or persons requesting such approval.

2. Paragraph number seven (7) is now declared null and void and replaced and superseded by the following paragraph number seven (7):

7. No residence or dwelling shall be constructed on any lot or part thereof unless such residence, exclusive of open porches, attached garages and basements shall have a ground floor area of 2,000 square feet if a one story structure, or 2,600 square feet with a structure higher than one story. Determination of sufficiency and adequacy of the term “ground floor” with respect to single family dwellings of tri-level, bi-level and one and one-half story design shall rest exclusively with the Building Control Committee.

In all other respects the Restrictive Covenants as originally recorded shall remain in full force and effect, except as amended above.

IN WITNESS WHEREOF, Prestwick Sales, Inc., by its duly authorized officers, have executed this instrument this 6th day of June, 1968.

PRESTWICK SALES, INC.

BY:

Terry M. Hamilton, President

ATTENDED:

Terry Green, Treasurer

Subscribed and sworn to before me, a Notary Public, this 6th day of June, 1968.

My Commission Expires: July 5, 1969

Signature of Notary Public

County of Residence: Hendricks

IN WITNESS WHEREOF, Bunker Investments, Inc., by its duly authorized officers, have executed this instrument this 6th day of June, 1968.

County of Residence: Hendricks
BUNKER INVESTMENTS, INC.

ATTEST:

Subscribed and sworn to before me, a Notary Public, this 26th day of June, 1988.

MY COMMISSION EXPIRES: 3-15-89

COUNTY OF RESIDENCE: Hendricks

This instrument prepared by:
Sharon K. Stagmiller, Attorney-at-Law
P.O. Box 807, Danville, IN 46122
(817) 745-4200

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