DECLARATION OF HORIZONTAL PROPERTY REGIME
AND OF
EASEMENTS, RESTRICTIONS, COVENANTS
AND BY-LAWS
FOR
THE KNOLL
CONDOMINIUM ASSOCIATION, INC.
A Not-For-Profit Corporation
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FOR
THE KNOLL CONDOMINIUM ASSOCIATION, INC.
A Not-For-Profit Corporation

This Declaration is made and entered into by KNOLL ASSOCIATES, an Indiana general partnership (hereinafter referred to as the "Declarant"):

WITNESSETH:

WHEREAS, the Declarant holds legal title to the following described parcel of real estate situated in Marion County, Indiana (hereinafter called the "Parcel"):

Part of the Southeast Quarter of Section 16, Township 16 North, Range 3 East in Marion County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of the said Quarter Section; thence South 89 degrees 12 minutes 15 seconds West along the South line of the said Quarter Section 1216.60 feet; thence North 00 degrees 47 minutes 45 seconds West 50.00 feet to the beginning of a curve having a radius of 169.80 feet, the radius point of which bears North 89 degrees 12 minutes 15 seconds East; thence Northerly and Northeasterly along the said curve 29.03 feet to the PLACE OF BEGINNING, which is located on the North line of West 30th Street right of way as acquired by the State of Indiana, as "Parcel 20D Limited Access Right of Way", by decree of Superior Court of Marion County, Indiana, Room 5, in Cause #964-1272, entered May 26, 1987, in Order Book 11, page 580, of said Court (the said place of beginning bears North 81 degrees 20 minutes 12 seconds West from the radius point of the said curve); thence continuing Northeasterly along the said curve 225.16 feet to a point which bears North 11 degrees 46 minutes 18 seconds West from the radius point of the said curve; thence North 53 degrees 34 minutes 15 seconds East 130.00 feet; thence North 36 degrees 25 minutes 45 seconds West 429.49 feet to a point on the South line of West 39th Street right of way as acquired by the State of Indiana, as "Parcel 20C Permanent Right of Way" by said decree thence North 57 degrees 14 minutes 30 seconds East along the said right of way line 4.31 feet to a curve having a radius of 596.62 feet, the radius point of which bears South 32 degrees 45 minutes 30 seconds East; thence Northeasterly along the said curve and along the said right of way line 51.20 feet to a point which bears North 27 degrees 50 minutes 28 seconds West, from the radius point of the said curve; thence North 60 degrees 37 minutes 52 seconds East along the said right of way line 94.93 feet to a curve having a radius of 200.62 feet, the radius point of which bears South 18 degrees 50 minutes 24 seconds East; thence Northeasterly along the said curve and along the said right of way line 191.61 feet to a point which bears North 00 degrees 44 minutes 30 seconds West from the radius point of the said curve; thence North 69 degrees 15 minutes 30 seconds East along the said right of way line 849.91 feet; thence South 56 degrees 39 minutes 10 seconds East along the said right of way line 95.68 feet to the West right of way line of Knollton Road; thence North 89 degrees 35 minutes 15 seconds East 30.00 feet to the East line of the said Quarter Section; thence South 00 degrees 24 minutes 45 seconds East along the East line of the said Quarter Section 423.25 feet to a point which lies North 00 degrees 24 minutes 45 seconds West 300.00 feet from the Southeast corner of the said Quarter Section; thence South 89 degrees 12 minutes 15 seconds West parallel with the South line of the said Quarter Section 240.00 feet; thence South 79 degrees 17 minutes 22 seconds West 203.27 feet to a point which lies North 00 degrees 24 minutes 45 seconds West 285.00 feet from the South line of the said Quarter Section and South 89 degrees 12 minutes 15 seconds West 440.00 feet from the East line of the said Quarter Section; thence South 00 degrees 24 minutes 45 seconds East parallel with the East line of the said Quarter Section 195.00 feet to the Northeast corner of the said Parcel 20D; thence North 74 degrees 06 minutes 26 seconds West along the North line of
the said Parcel 20D 45.29 feet; thence North 89 degrees 20 minutes 46 seconds West along the North line of the said Parcel 20D 651.27 feet; thence South 74 degrees 10 minutes 05 seconds West along the North line of the said Parcel 20D 83.17 feet to the place of beginning.

WHEREAS, The Declarant desires and intends by this Declaration to submit the Property, as hereinafter defined, to the provisions of the Horizontal Property Act of the State of Indiana, as amended from time to time, (hereinafter called the "Act"); and is further desirous of establishing, for its own benefit and that of all future owners or occupants of the Property, and each part thereof, certain easements and rights in, over and upon the Property, and certain mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

WHEREAS, the Declarant desires and intends that the several owners, mortgagees, occupants, and other persons acquiring any interest in the Property shall at all times enjoy the benefits of, and shall at all times hold their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of ownership and to facilitate the proper administration of such Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

NOW, THEREFORE, the Declarant, as the legal title holder of the Parcel, and for the purposes above set forth, DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

1.01 Declaration. This instrument by which the Property is submitted to the provisions of the Act, including such amendments, if any, to this instrument as may from time to time be adopted pursuant to the terms hereof.

1.02 Parcel. The entire tract of real estate above described, which is hereby submitted to the provisions of the Act.

1.03 Buildings. The structures located on the Parcel, forming a part of the Property and containing the Units, as shown by the Plans, as hereinafter defined.

1.04 Property. All the land, property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, including the Buildings, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

1.05 Unit. A part of the Property within the Building including one or more rooms, occupying one or more floors or a part or parts thereof, designed and intended for any type of independent use, and more specifically described hereafter in Article II.

1.06 Common Areas. All portions of the Property, except the Units, and including the Limited Common Areas, unless otherwise expressly specified herein. The Common Areas include, without limitation, the land, foundations, walls, hallways, stairways, entrances and exits, Parking Area, storage areas, guard house, roof, pipes, ducts, flues, shafts, electrical wiring and conduits (except pipes, ducts, flues, shafts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), swimming pool, community building, central heating and ventilating systems servicing the Common Areas (but excluding those individual heating, cooling and ventilating systems or equipment situated entirely within a Unit and serving only such Unit), public utility lines, structural parts of the Buildings, outside walks and driveways, landscaping and all other portions of the Property except the individual Units. Structural columns located within the boundaries of a Unit shall be part of the Common Areas. Any references to "Common Areas" appearing on the Plat (except references to Limited Common Areas) shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Areas in any way.

1.07 Limited Common Areas. A portion of the Common Areas so designated in this Declaration or on the Plans as being reserved for the use of a certain Unit or Units to the exclusion of other Units. Any portion of the Common Areas which by the terms of this Declaration or Plans or by its nature or location is clearly intended to serve exclusively a certain Unit or Units (but less than all of the Units) or the owner or owners thereof shall be deemed a Limited Common Area.

1.08 Unit Ownership. A part of the Property consisting of one Unit, the Exclusive Parking Use to a Covered Parking Space, as applicable, and the undivided interest in the Common Areas appurtenant thereto.
1.09 Parking Area. The part of the Common Areas provided for parking automobiles.

1.10 Parking Space. A part of the Property within the Parking Area intended for the parking of a single motor vehicle.

1.11 Person. A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.12 Unit Owner. The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit Ownership.

1.13 Occupant. Person or persons, other than a Unit Owner, in possession of a Unit.

1.14 By-Laws. The provisions for the administration of the Property, including, but not limited to, assessment, maintenance, use, occupancy, sale, leasing and alienation, all as hereinafter set forth, or as the same may be from time to time duly amended, the same to have full force and effect whether applied to or by the Declarant, the Board or the Association, as hereinafter defined. Articles V, VI and VII hereof shall constitute the By-Laws of the Association.


1.16 Majority of the Unit Owners. Those Unit Owners, without regard to their number, who own more than fifty percent (50%) in the aggregate of the entire undivided ownership interest in the Common Areas. Any specified percentage of the Unit Owners shall mean those Unit Owners who, in the aggregate, own such specified percentage of the entire undivided ownership interest in the Common Areas.

1.17 Board. The parties determined pursuant to Article V hereof, and who are vested with the authority and responsibility of administering the Property.

1.18 Common Expenses. The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board.


1.20 Covered Parking Space. A Parking Space located outside of the Buildings and designated as a Limited Common Area pursuant to Section 4.04 hereof.

ARTICLE II

UNITS AND BUILDINGS

2.01 Description and Ownership.

(a) All Units are delineated on the Plans and listed on Exhibit A, and shall have lawful access to a public way.

(b) Each Unit consists of the space enclosed and bounded by the horizontal and vertical planes set forth in the delineation thereof on the Plans as well as any pipes, ducts, flues, shafts, electrical wiring and conduits, and individual heating, cooling, and ventilation systems or equipment situated entire within a Unit and serving only such Unit. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plans. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit A and every such description shall be deemed good and sufficient for all purposes.

(c) No Unit Owner shall, by deed, plat, court decree or otherwise, combine or subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plans.

2.02 Certain Structures Not Constituting Part of a Unit. Except as a tenant in common with all other Unit Owners, no Unit Owner shall own any structural components of the Buildings, including structural columns or pipes, wires, conduits, ducts, flues, shafts, or public utility lines running through his Unit and forming a part of any system serving more than his Unit, or any components of communication systems. If any, located in his Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit.

2.03 Real Estate Taxes. It is understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Areas as provided in the Act provided, however, until such time as separate real estate tax bills are issued with respect to each Unit, the real estate taxes imposed on the Property shall be included in the Common Expenses assessed pursuant to this Declaration.
2.04 Description of Buildings. There are eight (8) buildings containing one hundred fifty (150) Units as depicted on the Plans. The buildings are identified and referred to in the Plans. All buildings except the clubhouse contain two stories. There are separate basements in 52 Units. There are 5 basements shared in common and there is a basement located in the clubhouse.

ARTICLE III
COMMON AREAS

3.01 Ownership of Common Areas. Each Unit Owner shall be entitled to the percentage of ownership in the Common Areas allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit A attached hereto. The percentages of ownership interests set forth in Exhibit A have been computed and determined in accordance with the Act, and shall remain constant and shall not be changed, except as specifically permitted under the Act or the Declaration, without unanimous written consent of all Unit Owners and all mortgagees having bona fide liens of record against any of the Unit Ownerships. Said ownership interest in the Common Areas shall be an undivided interest, and the Common Areas shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Areas corresponding to said Unit. The undivided percentage of ownership in the Common Areas corresponding to any Unit shall be deemed conveyed or encumbered with, or held by, any instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

3.02 Description of Limited Common Areas. That portion of the Common Areas which are designated as Limited Common Areas shall include, but not be limited to, the following: (a) balconies, garden areas and patios serving exclusively a single Unit, including those rear yard areas enclosed partially or completely by a fence which is immediately adjacent and leads to a Unit; (b) Covered Parking Spaces; (c) perimeter doors and windows which serve exclusively a single Unit; (d) the interior surface of the perimeter walls, ceilings and floors which define the boundary planes of a Unit; (e) with respect to any Unit occupying more than one (1) story, the floor and ceiling which separate the stories of that Unit and the components of such floor and ceiling and the space occupied by the same shall constitute and are hereby designated as Limited Common Areas appurtenant to such Unit; (f) the stairways situated wholly within a Unit and leading from one (1) story to another within the Unit shall constitute and are hereby designated as Limited Common Areas appurtenant to such Unit; (g) any fence which borders a garden area shall be a Limited Common Area appurtenant to the Unit served by the garden area; and (h) any system or component part thereof which serves a Unit exclusively to the extent that such system or component part is located outside the boundaries of a Unit.

ARTICLE IV
PROVISIONS AS TO UNITS AND COMMON AREAS

4.01 Submission of Property to the Act. The Property is hereby submitted to the provisions of the Horizontal Property Law of the State of Indiana.

4.02 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to his Unit Ownership without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Areas, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

4.03 Easements.
(a) Encroachments. In the event that (i) by reason of the construction, repair, reconstruction, settlement or shifting of the Buildings, any part of the Common Areas encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas, or any other Unit; or (ii) by reason of the design or construction of any Unit, it shall be necessary or advantageous to a Unit Owner to use or occupy any portion of the Common Areas for any reasonable use appurtenant to said Unit, which will not unreasonably interfere with the use or enjoyment of the Common Areas by other Unit Owners, or, if by reason of the design or construction of utility and ventilation systems, any pipes, ducts, flues, shafts or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit; then in any such case valid easements for the maintenance of such encroachment and for such use of the Common Areas hereby established and shall exist for the benefit of such Unit, or the Common Areas, as the case may be, so long as all or any part of the Buildings shall remain standing; provided, however, that in no event shall a valid easement for any encroachment or use of the Common Areas be created in favor of any Unit Owner if such
encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Property by the other Unit Owners or has been created by the Unit Owner or his agent through intentional, willful or negligent conduct.

(b) Easements for Utilities and Additional Purposes. All suppliers of utilities serving the Property are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Common Areas for the purpose of providing the Property with utilities services, together with the reasonable right of ingress from the Property for said purposes provided, however, that the location of any such easements shall be subject to the approval of the Board. The Declarant, Board or Association may hereafter grant other or additional easements for utility purposes and for other purposes including such easements as the Developer may from time to time request including, but not limited to, such easements as may be required to construct, locate and maintain improvements upon the Common Areas, for the benefit of the Property, over, under, along and on any portion of said Common Areas, and each Unit Owner hereby grants the Declarant, Board or Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of such Unit Owner, such instruments as may be necessary to effectuate the foregoing. Easement are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, flues, shafts, conduits, public utility lines, components of the communications systems, if any, or structural components, which may run through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit boundaries.

(c) Easements to Run with Land. All easements and rights described herein are easements appurtenant running with the land, and so long as the Property is subject to the provisions of this Declaration, shall remain in full force and effect, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Unit Owner, purchaser, mortgagee and other person having an interest in the Property, or any part or portion thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to respective grantees, mortgagees and trustees of such Unit Ownership as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

4.04 Parking Areas. The Parking Area is a part of the Common Areas, and includes all Parking Spaces, and, all entrances, exits, fixtures, and appurtenant facilities. The Declarant, Board or Association may allocate Parking Spaces on such basis as the Declarant, the Board or Association deems appropriate and may prescribe such rules and regulations with respect to the Parking Area as it may deem fit. Notwithstanding anything to the contrary herein contained, a portion of the Parking Area has been divided into Covered Parking Spaces and delineated on the Plans. The legal description of each Covered Parking Space shall consist of the identifying symbol of such Parking Space as shown on the Plans. Wherever reference is made to any Covered Parking Space in a legal instrument or otherwise, a Covered Parking Space may be legally described by its identifying symbol as shown on the Plans and every such description shall be deemed good and sufficient for all purposes. Unit Owners will have the right to purchase, as a Limited Common Area, the exclusive use to a Covered Parking Space and he shall have his Unit Ownership include as a right and benefit appurtenant thereto, a grant of a perpetual and exclusive use, hereinafter referred to as the “Exclusive Parking Use,” consisting of the right to use for parking purposes that certain Covered Parking Space purchased by said Unit Owner and set forth on his Deed. Each deed, lease, mortgage, or other instrument affecting a Unit Ownership shall include the Exclusive Parking Use to the specific Covered Parking Space expressly allocated to said Unit, shall be deemed and taken to include the said Exclusive Parking Use to the said Covered Parking Space, even though not expressly mentioned or described therein. Owners may lease between themselves the Exclusive Parking Use to a Covered Parking Space appurtenant to their own Unit Ownership. No person not having an interest in a Unit Ownership shall have any interest in and to a Covered Parking Space for any purpose unless permission in writing is given by the Board. The term of any lease of the Exclusive Parking Use to any specific Covered Parking Space shall not exceed two (2) years. All Covered Parking Spaces and access thereto shall be subject to such reasonable rules and regulations as may be established by the Board, as hereinafter provided, including the requirement that such exclusive use encompass the obligation to pay monthly, as determined by the Board, for the cost of maintaining and repairing in addition to other services, that portion of the Common Areas subject thereto, as an expense of a Unit Owner rather than a Common Expense. The Declarant hereby expressly reserves to itself the right to make the initial sale of each and every Covered Parking Space, and to sell and grant the Exclusive Parking Use with respect to each such Covered Parking Space. Any funds paid to the Declarant for any Exclusive Parking Use shall be the sole property of the Declarant, and neither the Association nor any Owner shall have any right or claim to such funds.
4.05 Use of the Common Areas.

(a) General. Each Unit Owner shall have the right to use the Common Areas (except the Limited Common Areas and portions of the Property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Areas shall extend to not only each Unit Owner, but also to his agents, servants, tenants, family members, invitees and licensees. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Areas, if any, serving such Unit alone or serving such Unit together with adjoining Units. Such rights to use the Common Areas, and the Limited Common Areas, including the Parking Area shall be subject to and governed by the provisions of the Act, Declaration, By-Laws and rules and regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Areas, subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

(b) Guest Privileges. The aforesaid rights shall extend to the Unit Owner and the members of the immediate family and authorized guests and other authorized Occupants and visitors of the Unit Owner, subject to reasonable rules and regulations with respect thereto. The use of the Common Areas and the rights of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Act, this Declaration and the By-Laws and rules and regulations of the Board as may be imposed from time to time.

(c) Disclaimer of Bailee Liability. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Unit Owner, nor the Developer shall be considered a bailee of any personal property stored in the Common Areas (including vehicles parked in the Parking Area), whether or not exclusive possession of any particular areas shall be given to any Unit Owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

4.06 Maintenance, Repairs and Replacements.

(a) By the Board. The Board or Association, at its expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each Unit which contribute to the support of the Buildings excluding, however, interior wall, ceiling and floor surfaces. In addition, the Board or Association shall maintain, repair and replace all pipes, wires, conduits, ducts, flues, shafts and other facilities for the furnishing of utility services which may be located within the Unit boundaries and forming part of any system servicing more than one Unit, as specified in Section 2.02 hereof, exclusive of any portions of the foregoing which may be located at or beyond the wall outlet, which may be the responsibility of an Individual Unit Owner under subparagraph (b) below, or any other provision of this Declaration. The Association shall also be responsible for the mowing of grass in that portion of the Common Area which is designated as a Limited Common Area herein. Maintenance, repairs and replacements of the Common Elements (except as specifically provided herein) shall be furnished by the Board as part of the Common Expenses, subject to the By-Laws or rules and regulations of the Association.

(b) By the Unit Owner. Except as otherwise provided in paragraph (a) above, each Unit Owner shall furnish and be responsible for, at his own expense:

(i) All of the maintenance, repairs and replacements within his own Unit and of the doors and outside windows and frames and screens appurtenant thereto, and all internal installations of such Unit such as refrigerators, ranges, and other kitchen appliances, lighting fixtures and other electrical fixtures, plumbing fixtures or installations, and any pipes, ducts, flues, shafts, electrical wiring and conduits, and individual heating, cooling, and ventilating system or equipment situated entirely within the Unit and servicing only such Unit; provided, however, that such maintenance, repairs and replacements as may be required for the bringing of water, gas and electricity to the Units, shall be furnished by the Board as part of the Common Expenses, and provided further that the Board or the Association may provide, by its rules and regulations as may be imposed from time to time, for ordinary maintenance and minor repairs and replacements to be furnished to Units and appliances therein by building personnel as a Common Expense or as user charges pursuant to Section 6.06 hereof.

(ii) All of the decorating within his own Unit and the Limited Common Areas servicing his Unit as may be required from time to time, including, but not limited to, painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceiling of his Unit, and such Unit Owner shall maintain such interior surfaces in good condition at his sole expense. Such maintenance and use shall be subject to the rules and regulations of the Board or Association as may
be imposed from time to time. Except with respect to improvements in place as of the date of the recording of
this Declaration, each Unit Owner who shall elect to install in any portion of his Unit (other than in bath and
powder rooms) hard surface floor covering (i.e., tile, slate, ceramic, parquet, etc.) shall be first required to
install a sound absorbent undercushion of such kind and quality as to maintain the transmission pursuant to
the Unit below, and shall obtain approval of the Board prior to making such installation provided, however,
that this provision shall not apply to any Unit containing more than one (1) story. If such prior approval is not
so obtained, the Board may, in addition to exercising all of the other remedies provided for in this Declaration
for breach of any of the provisions hereof, require such Unit Owner to cover all non-conforming work with
carpentry, or may require removal of such non-conforming work, at the expense of the offending Unit Owner.
The interior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at
the expense of each respective Unit Owner. The use of and the covering of the interior surfaces of such
windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject
to the rules and regulations of the Board as may be imposed from time to time.

(iii) All of the maintenance, repair and replacements of the Limited Common Areas benefiting his Unit, in
whole or in part, except to the extent as otherwise directed by the Board or as is otherwise provided herein,
shall be performed by the respective Unit Owner. In addition, each Unit Owner shall be individually responsi-
ble for the repair, maintenance and replacement of all door and window locks and hardware with respect to
which each Unit Owner is entitled to the exclusive use. At the direction of the Board, the Board may perform,
or cause to be performed, such maintenance, repairs and replacements of the Limited Common Areas and
the cost thereof shall be assessed in whole or in part to Unit Owners benefited thereby, and further, at the
discretion of the Board, the Board may direct such Unit Owners, in the name and for the account of such Unit
Owners, to arrange for such maintenance, repairs and replacements, to pay the cost thereof with the funds of
the Unit Owner, and to procure and deliver to the Board such lien waivers and contractor's or subcontractor's
sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien
claims that may arise therefrom.

(c) In the event that any repair or replacement to the Common Areas (including Limited Common Areas) is
made necessary by reason of any act or occurrence for which insurance is maintained by the Association herein,
section 5.08 hereof and for which insurance proceeds are available as provided in Section 8.01 hereof, the
Association, at its expense, shall be responsible for the repair or replacement of such Common Areas.

(d) Nature of Obligations. Nothing herein contained shall be construed to impose a contractual liability
upon the Association for maintenance, repair and replacement, but the Association's liability shall be limited to
damages resulting from negligence. The respective obligations of the Association and Unit Owners set forth in
this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance,
repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction
of the Buildings, nor because they may become entitled to proceeds under policies of insurance. In addition, and
notwithstanding anything hereinafore to the contrary, no Unit Owner shall have a claim against the Board or
Association (or against the Declarant) for any work (such as certain exterior window cleaning, or repair of the
Common Areas), ordinarily the responsibility of the Board or Association, but which the Unit Owner himself has
performed or paid for, unless the same shall have been agreed to in advance by the Board or Association or the
Declarant.

4.07 Additions, Alterations or Improvements:

(a) The Board may authorize and charge as a Common Expense (or in the case of Limited Common Areas
may charge the Owners benefited thereby) additions, alterations, or improvements to the Common Areas. The
cost of any such work to the Common Areas may be paid out of a special assessment.

(b) No additions, alterations or improvements shall be made by a Unit Owner to any part of the Common
Areas and no additions, alterations or improvements shall be made by a Unit Owner to his Unit (where such work
affects the safety or structural integrity of the Buildings, reduces the value thereof or impairs any easement
granted hereunder) without the prior written consent of all Unit Owners. In the event such consent is obtained,
such consent may be conditioned upon the Unit Owner's agreement either (i) to be solely responsible for the
maintenance of such addition, alteration or improvement, subject to such standards as the Board may from
time to time set, or (ii) to pay to the Association from time to time the additional cost of maintenance and/or insurance
as a result of the addition, alteration or improvement. If an addition, alteration or Improvement is made by a Unit
Owner without the prior written consent of the Unit Owners, then the Board may, in its discretion, take any of the
following actions:

1. Require the Unit Owner to remove the addition, alteration or improvement and restore the Property
to its original condition, all at the Owner's expense; or

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(2) If the Unit Owner refuses or fails to properly perform the work required under (1), the Board may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board; or

(3) Ratify the action taken by the Unit Owner, and the Board may (but shall not be required to) condition such ratification upon the same conditions which it may impose upon the giving of its prior consent under this Section.

4.08 Negligence of Unit Owner. If, due to the negligent act or omission of a Unit Owner, or a member of his family or household pet or of a guest or other authorized Occupant or visitor of such Unit Owner, damage shall be caused to the Common Areas or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

4.09 Joint Facilities. To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Areas, then the use thereof by the individual Unit Owners shall be subject to the rules and regulations of the Board as may be in force from time to time. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Units as may be required in connection with the exercise, repairs, or replacements of or to the Common Areas or any equipment, facilities or fixtures affecting or serving other Units or the Common Areas.

ARTICLE V
ADMINISTRATION

5.01 Administration of Property. The direction and administration of the Property shall be vested in the Board of Directors (herein sometimes referred to as the “Board” or the “Board of Managers”), which shall consist of five (5) persons who shall be elected in the manner hereinafter set forth; provided however, that, irrespective of anything else contained in this Declaration, for a period commencing on the date this Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of voting members, the Declarant shall have the right to designate and select the persons who shall serve as members of each Board or to exercise the powers of the Board as provided in the Act. The Board shall be deemed to be the “Board of Directors” for the Unit Owners referred to in the Act. Except for directors so designated by the Declarant, each member of the Board shall be one of the Unit Owners and shall reside on the Property; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any designated agent of such corporation, partnership, trust, or other legal entity, shall be eligible to serve as a member of the Board, so long as any such agent (other than a person designated by the Declarant) resides on the Property. If a director fails to meet such qualifications during his term, he shall thereupon cease to be a director, and his place on the Board shall be deemed vacant.

5.02 Association. The Association has been formed, prior to the recording hereof, as a not-for-profit corporation under the General Not-For-Profit Corporation Act of the State of Indiana, having the name (or a name similar thereto) THE KNOLL CONDOMINIUM ASSOCIATION, INC., and shall be the governing body for all of the Unit Owners for the maintenance, repair, replacement, administration and operation of the Property. The Association is not conducting, and shall not be conducting, any business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions contained herein. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, and such membership shall automatically terminate when he ceases to be a Unit Owner and upon the transfer of his ownership interest the new Unit Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. The Association may issue certificates evidencing membership therein and shall have only one class of membership.

5.03 Voting Rights. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a “voting member.” Such voting member may be the Unit Owner or one of a group who compose the Unit Owner of a Unit Ownership, or be some person designated by such Unit Owner to act as proxy on his or their behalf which person must be a Unit Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator or by written notice to the Board by the designator. Any or all Unit Owners may be present at any meeting of the voting members and (those constituting a group acting as a single voting member) may vote or take any other action as a voting member either in person or by proxy. The total number of votes of all voting members shall be one hundred (100), and each Unit Owner or group of Unit Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set
forth in Exhibit A. The person designated by the Declarant shall be the voting member with respect to any Unit Ownership owned by the Declarant.

5.04 Meetings.

(a) Quorum. Meetings of the voting members shall be held at the Property or at such other place in Marion County, Indiana, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having twenty-five percent (25%) of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present at the time the action is taken. A majority of the votes present at such meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Unit Owners, or, in the absence of such rules, Roberts Rules of Order shall be used.

(b) Initial and Annual Meeting. The initial meeting of the voting members shall be held upon not less than ten (10), nor more than thirty (30), days written notice given by the Declarant. Said initial meeting shall be held no later than the first to happen of (i) sixty (60) days after the date the Declarant sold and delivered its deed for at least one hundred thirty-five (135) Units or (ii) three (3) years from the date of the recording of this Declaration. Thereafter, there shall be an annual meeting of the voting members on the second Tuesday of May following such Initial meeting, and on the second Tuesday of May of each succeeding year thereafter at 7:30 P.M., or at such other reasonable time or date as may be designated by written notice of the Board delivered to the voting members.

(c) Special Meetings. Special meetings of the voting members may be called at any time after the initial meeting provided for in Section 5.04(b) hereof for the purpose of considering matters which, by the terms of this Declaration, require the approval of all or some of the voting members, or for any other reasonable purpose provided, however, that the following matters shall require the approval of voting members having not less than two-thirds (2/3) of the total votes: (i) the merger or consolidation of the Association; (ii) the sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the property and assets of the Association; and (iii) the purchase or sale or lease of Units or other real estate on behalf of all Unit Owners. Special meetings may be called by written notice authorized by a majority of the Board, the President of the Board, or by ten percent (10%) of the voting members and delivered not less than ten (10) days and no more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered. Matters to be submitted at special meetings of the voting members shall first be submitted to the Board, at least ten (10) days prior to the special meeting, who shall then submit the matters to the voting members.

5.05 Notices of Meetings. Except as otherwise provided herein, notices of meetings of the voting members shall be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board or, in the absence of such notice, to the Unit of the Unit Owner with respect to which such voting right pertains, if no address has been given to the Board provided that any such notice shall be delivered no less than ten (10) days and no more than thirty (30) days prior to the date fixed for such meeting and shall state the date, time, place and purpose of such meeting.

5.06 Board of Directors.

(a) The initial Board of Directors designated by the Declarant pursuant to Section 5.01 hereof shall consist of five (5) directors who shall serve without compensation. Such initial Board shall serve for a period commencing on the date this Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of voting members held as provided in Section 5.04(b) hereof. Said initial Board may, on behalf of the Declarant, exercise the rights reserved in Section 11.01 hereof. At the initial meeting of voting members held as provided in Section 5.04(b) hereof, the voting members shall elect the Board consisting of five (5) members. In all elections for members of the Board, each voting member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting five (5) Board members shall be elected. The three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected to the Board for a term of one (1) year. The election and term of office as between candidates receiving the same number of votes shall be determined by lot. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two (2) years each. The voting members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease such number of persons on the Board or may decrease the term of office of Board members at any annual or special meeting, provided that (i)
such number shall not be less than three (3), (ii) the terms of at least one-third (1/3) of the persons on the Board shall expire annually, and (iii) no Board member shall be elected for a term of more than two (2) years but Board members may succeed themselves. Members of the Board shall receive no compensation for their services. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board, shall be filled by majority vote of the remaining members thereof, except that a vacant position of the Board last filled by a person appointed by the Declarant shall be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director he succeeds. Except as otherwise provided in this Declaration, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of members on the Board shall constitute a quorum.

(b) The Board shall elect from among its members for the term of one (1) year (i) a President who shall preside over both its meetings and those of the voting members, and who shall be the chief executive officer of the Board and the Association and who shall be designated to mail and receive all notices and execute all amendments hereto as provided herein and in the Act, (ii) a Secretary who shall keep the minutes of all meetings of the Board and of the voting members and who shall, in general, perform all the duties incident to the office of the Secretary, (iii) a Treasurer to keep the financial records and books of account, and (iv) such additional officers as the Board shall see fit to elect. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by a vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

(c) Except for directors designated by Declarant pursuant to Section 5.01 hereof, any Board member may be removed from office, at any time after the election of directors at the initial meeting of voting members pursuant to Section 5.06(a) hereof, by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

(d) Written notice stating the place, date and hour of any meeting of the Board shall be delivered to each member of the Board not less than five (5) days prior to the date of such meeting. The purpose for which the meeting is called shall be stated in the notice.

5.07 General Powers of the Board. The Board shall have the following general powers:

(a) Subject to the rights reserved by the Declarant pursuant to Section 11.01 hereof, the Board may engage the services of an agent to manage the portions of the Property for which the Board is responsible pursuant to this Declaration, to the extent deemed advisable by the Board, provided, however, that any agreement for professional management shall provide for termination by either party for cause upon thirty (30) days written notice and shall be for a term not to exceed one (1) year.

(b) The Board shall have the power and duty to provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

(c) The Board or its agents, upon reasonable notice, may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible or to make emergency repairs as may be necessary to prevent damage to the Common Areas or to any other Unit or Units.

(d) The Board’s powers hereinafter enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions to, or capital improvements of the Common Areas (other than for purposes of replacing or restoring portions of the Common Areas, subject to all the provisions of this Declaration or unless required for emergency repair, protection or operation of the Common Areas), requiring an expenditure in excess of Ten Thousand Dollars ($10,000.00) without in each case the prior written approval of Unit Owners owning two-thirds (2/3) of the total ownership interest in the Common Areas.

(e) All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board. The managing
agent of the Property may be authorized to execute those documents required to enable it to perform its duties under its management agreement.

(f) The Board by vote of at least two-thirds (2/3) of its members, and without approval from any of the voting members except as hereinafter set forth, may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit Owners and occupants of the Property. Written notice of such rules and regulations, together with any amendments thereto, shall be given to all voting members.

(g) Prior to the election by voting members of the first Board, the Declarant shall, subject to the terms of this Declaration, have the authority to lease or to grant licenses, concessions and contracts with respect to any part of the Common Areas, including but without limitation leases and/or licenses relating to the Parking Area, all upon such terms as the Declarant deems appropriate. Upon election of the first Board, and thereafter, the Board by a vote of at least two-thirds (2/3) of the persons on the Board shall have the same authority as aforesaid.

(h) Nothing hereinafter contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Unit Owners or any of them.

(i) The Board shall have the power to bid for and purchase any Unit Ownership (or interest therein) at a sale pursuant to a mortgage foreclosure, or a foreclosure of the lien for Common Expenses under the Act, or at a sale pursuant to an order of direction of a court, or other involuntary sale, upon the consent or approval of Unit Owners owning not less than sixty-six and two-thirds percent (66 2/3%) in the aggregate of the undivided ownership of the Common Areas which consent shall set forth a maximum price which the members of the Board or their duly authorized representatives are authorized to bid and pay for said Unit Ownership or interest therein.

(j) The Board shall have the power to exercise all other powers and duties of the Board of Directors or Unit Owners as a group referred to in this Declaration or the Act.

(k) Subject to the provisions of Section 4.04 and Section 4.06(b) (iii) hereof, the Board for the benefit of all the Unit Owners shall acquire and shall pay out of the maintenance fund hereinafter provided for, the following:

(i) Operating expenses of the Common Areas, including water, electricity, gas and telephone and other necessary utility service for the Common Areas and (if not separately metered or charged) for the Units.

(ii) Services of any person or firm to act on behalf of the Unit Owners in connection with real estate taxes and special assessments on the Unit Ownership, and in connection with any other matter where the respective interests of the Unit Owners are deemed by the Board to be similar and nonadverse to each other. The cost of such services shall be Common Expenses.

(iii) Painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Areas (but not including the interior surfaces of the Units and of the perimeter doors appurtenant thereto, and repair of windows and frames and screens which the Unit Owners shall clean, maintain and repair) and such furnishings and equipment for the Common Areas as the Board shall determine are necessary and proper.

(iv) Any other materials, supplies, utilities, furniture, equipment, labor, services, maintenance, repairs or structural alterations which the Board is required to secure or pay for, pursuant to the terms of this Declaration and By-Laws or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first-class condominium development or for the enforcement of the restrictions contained herein.

(v) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board constitute a lien against the Property or against the Common Areas, rather than merely against the interests therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specifically assessed to said Unit Owners.

(vi) Maintenance and repair of any Unit if such maintenance or repair is necessary, in the discretion of the Board, to protect the Common Areas, or any other portion of the Buildings, and if a Unit Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Unit Owner, provided that the Board shall levy a special assessment against such Unit Owner for the cost of said maintenance or repair.

5.08 Insurance.

(a) The Board shall have the authority to and shall obtain insurance for the Property as follows:
(i) Insurance on the Property, including the Units and the Common Areas, against loss or damage by fire and against loss or damage by risks now or hereafter embraced by standard extended coverage and vandalism and malicious mischief endorsements, in an amount sufficient to prevent the insured from being a co-insurer within the terms of the applicable policies, but in any event in an amount not less than one hundred percent (100%) of the full insurable replacement cost thereof. The "full insurable replacement cost" of the Property, including the Units and the Common Areas, shall be determined from time to time by the Board, which determination may be based upon appropriate insurance appraisals. Insurable replacement cost shall be deemed to be the cost of restoring the Common Areas, Units, or any part thereof, to substantially the same condition in which they existed prior to damage or destruction. The cost of any and all such appraisals shall be Common Expenses.

(ii) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Unit Owner, occurring on or about the Property or upon, in or about the streets and passageways and other areas adjoining the Property, such public liability and property damage insurance to afford protection to such limits as the Board shall deem desirable (but in no event for less than One Million Dollars ($1,000,000.00) with respect to liability for personal injury or property damage arising out of a single accident).

(iii) Such workmen's compensation insurance as may be necessary to comply with applicable laws.

(iv) Employer's liability insurance in such amount as the Board shall deem desirable.

(v) A fidelity bond Indemnifying the Association, the Board and the Unit Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling the funds of the Association, the Board or the Unit Owners in such amount as the Board shall deem desirable.

(vi) Such other insurance (including insurance with respect to officers' and directors' liability) in such reasonable amounts as the Board shall deem desirable.

The premiums for the above described insurance, except as otherwise provided in this Section 5.08, shall be Common Expenses.

(b) All insurance provided for in this Section 5.08 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Indiana.

(c) All policies of insurance of the character described in clause (i) of Paragraph (a) of this Section 5.08: (i) shall name as insured, the declarant, so long as it has an insurable interest, and the Board as trustees for the Unit Owners in the percentages established in Exhibit A to this Declaration as the respective interests of all such assureds may appear; (ii) shall be without contribution as respects other such policies of insurance carried individually by the Unit Owners whether such other insurance covers their respective units and/or the additions and improvements made by such Unit Owners to their respective units; (iii) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement thereof, such option shall not be exercisable in the event the Unit Owners elect to sell the Property or remove the Property from the provisions of the Act; and (iv) shall contain an endorsement to the effect that such policy shall not be terminated for nonpayment of premiums without at least ten (10) days prior written notice to the mortgagee of each unit. Policies of insurance of the character described in clause (i) of Paragraph (a) of this Section 5.08 may contain an endorsement extending coverage so as to include the payment of Common Expenses with respect to damaged units during the period of reconstruction thereof. Notwithstanding the issuance of standard mortgage clause endorsements under the policies of insurance of the character described in clause (i) of Paragraph (a) of this Section 5.08, any losses under such policies shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration.

(d) All policies of insurance of the character described in clauses (ii), (iv), (v) and (vi) of Paragraph (a) of this Section 5.08 shall name as assureds each Unit Owner and their spouses and the Association, Board and its managing agent, and the other agents and employees of such Association, Board and managing agent and the Declarant in his or its capacity as a Unit Owner and Board member. In addition, all policies of insurance of the character described in clause (ii) of Paragraph (a) of this Section 5.08 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Declarant, the managing agent, their respective employees and agents and the Unit Owners and Occupants and shall cover claims of one or more insured parties against other insured parties.

The Association, for the benefit of the Unit Owners and the mortgagees of each-Unit, shall pay the premiums on the policies of insurance described in Paragraph (a) of this Section 5.08 at least thirty (30) days prior
(f) The loss, if any, under any policies of insurance of the character described in clause (i) in Paragraph (a) of this Section 5.08 shall be payable, and the insurance proceeds paid, on account of any such loss shall be paid to the Board, as trustee for each of the Unit Owners in their respective percentages of ownership in the Common Areas as established in this Declaration, which insurance proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be applied to the payment of the cost of restoring the Property to substantially the same condition in which it existed immediately prior to such damage or destruction, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before, free from vendor’s, mechanic’s, materialman’s and other similar liens.

(g) Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit, and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability to the extent not covered by the policies of liability insurance obtained by the Board for the benefit of all of the Unit Owners as above provided. All policies of casualty insurance carried by each Unit Owner shall be without contribution as respects the policies of casualty insurance obtained by the Board for the benefit of all of the Unit Owners as above provided.

(h) Each Unit Owner shall be required to report all additions or alterations to his Unit promptly in writing to the Board, without prior request from the Board or the management agent, and to reimburse the Board for any additional insurance premiums attributable thereto, and he shall be responsible for any deficiency in any insurance on such additions, alterations or improvements unless and until such Unit Owner shall make such report and request the Board in writing to obtain such insurance, and shall make arrangements satisfactory to the Board for such additional premiums; and upon the failure of such Unit Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements. “Additions” or “alterations” shall mean property attached to the Unit and not readily removable without damage to the Unit, including but not limited to, carpeting, special floor, special wall covering and paneling. The insurance coverage described in this paragraph (h) of Section 5.08 shall not be deemed to include personal property owned by the Unit Owner and not attached to the Unit.

(i) Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, the Association, its officers, members of the Board, Declarant, the manager and managing agent of the Property, if any, and their respective employees and agents, for any damage to the Common Areas, the Units, or to any personal property located in the Unit or Common Areas caused by fire or other casualty to the extent that such damage is covered by fire or other form of casualty insurance.

5.09 Cancellation of Insurance. The Board shall be responsible, in the event any insurance required under Section 5.08(a) (i) or (ii) is cancelled, for serving notice of such cancellation upon any person insured thereunder. In addition, written notice of the procurement of any insurance obtained by the Association and any subsequent changes in said coverage shall be furnished to any person or entity insured thereunder.

5.10 Liability of the Board of Directors. Neither the members of the Board nor the officers of the Association shall be liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Board members and officers except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the members of the Board and each of the officers of the Association against all contractual and other liabilities to others arising out of contracts made by or other acts of the Board and officers of the Association on behalf of the Unit Owners or arising out of their status as Board members or officers unless any such contract or act shall have been made fraudulently or with gross negligence or contrary to the provisions of this Declaration. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid or received in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any member of the Board or officers of the Association may be involved by virtue of such persons being or having been such member or officer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such member or officer, or (b) a matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such member or officer. It is also intended that the liability of any Unit Owner arising out of any contract made by or other acts of the Board or officers of the
Association, or out of the aforesaid indemnity in favor of the members of the Board and officers of the Association, shall be the total proportion of the total liability thereunder as his percentage of interest in the Common Areas bears to the total percentage interest of all Unit Owners in the Common Areas. Every assessment made by the Board or by the managing agent on behalf of the Unit Owners shall provide that members of the Board or the managing agent, as the case may be, are acting only as agents for the Unit Owners, and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Areas bears to the total percentage interest of all Unit Owners in the Common Areas.

ARTICLE VI
COMMON EXPENSES—MAINTENANCE FUND

6.01 Preparation of Estimated Budget. Each year on or before November 1, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before November 15 notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof and containing each Unit Owner's respective assessment provided, however, that such annual budget shall be furnished to each Unit Owner at least thirty (30) days prior to its adoption by the Board. The annual budget shall also take into account the net available cash income for the year derived from the operation or use of the Common Areas. Subject to the provisions of Section 4.04 and 4.06(b) (iii) hereof, said "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Areas as set forth in Exhibit A attached hereto, On or before January 1 of the ensuing year, and the first of each and every month of said year, each Unit Owner, jointly and severally, shall be personally liable for and obligated to pay to the Board or as it may direct, one-twelfth (1/12) of the assessments made pursuant to this paragraph. On or before April 1 of each calendar year following the initial meeting the Board shall supply to all Unit Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Such accounting shall be prepared by a certified public accountant. Any net shortage or excess shall be applied as an adjustment to the installments due under the current year's estimate in the succeeding six (6) months after rendering of the accounting subject, however, to the provisions of Section 6.02 hereof.

6.02 Reserve for Contingencies and Replacements—Supplemental Budget. The Board shall build up and maintain a reasonable reserve for contingencies and replacements, which reserve shall be segregated and allocated for specific purposes and maintained in a separate interest-bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such portions of the contingency and replacement reserve which remains unallocated. If the "estimated cash requirement" proves inadequate for any reason or in the event a non-recurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency and expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a separate assessment shall be made, by each Unit Owner for his proportionate share of such supplemental budget. All Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount.

6.03 Initial Budget. The Initial Board appointed by the Declarant shall determine and adopt, prior to the conveyance of the first Unit hereunder, the "estimated cash requirement" for the initial period commencing with the first day of the month in which the sale of the first Unit is closed and ending on December 31 of the calendar year in which such sale occurs and shall continue to determine the "estimated cash requirement" for each succeeding calendar year until such time as the first Board elected hereunder takes office. Assessments shall be levied against the Unit Owners during said periods as provided in Section 6.01 of this Article.

6.04 Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Unit Owners shall constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.
6.05 Books and Records. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection at the office of the Association, if any, by any Unit Owner or any holder of a first mortgage lien on a Unit Ownership, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. Upon ten (10) days’ notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

6.06 Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments or user charges) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit A.

6.07 Start-up Costs. At the time the initial sale of each Unit is closed, the purchaser of the Unit shall pay to the Association an amount equal to two (2) times the first monthly assessment for such Unit. This sum shall be used and applied for start-up costs and as a working capital fund in connection with all initial operating expenses for the Common Areas. This payment shall not be refundable or be applied as a credit against the Unit Owner’s monthly assessment.

6.08 Non-Use and Abandonment. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his or their Units.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

7.01 Use and Occupancy. The Property shall be occupied and used as follows:

(a) Each Unit or any two or more adjoining Units used together shall be used for housing and related common purposes for which the Property was designed and for no other purpose. That part of the Common Areas separating any two or more adjoining Units which are owned by the same Unit Owner may be altered or removed to afford ingress and egress to and from such adjoining Units provided, however, that (i) such alteration or removal shall not impair or weaken the structural integrity of any Unit or any portion of the Common Areas, (ii) the Unit Owner shall furnish to the Board not less than ten (10) days prior to the date Unit Owner desires to commence such work, plans detailing the work to be done; (iii) the Board consents to the performance of such work; (iv) the expense of such alterations shall be paid in full by the Unit Owner making such alterations; and (v) such Unit Owner shall pay in full the expense of restoring such Common Areas to their former condition prior to such alterations in the event such Units cease to be used together.

(b) There shall be no obstruction of the Common Areas nor shall anything be stored in the Common Elements (except in areas designed for such purpose) without the prior consent of the Board or except as hereinafter expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit.

(c) Nothing shall be done or kept in any Unit or in the Common Areas serving the Units which will increase the rate of insurance on the Buildings or contents thereof without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas which will result in the cancellation of insurance on the Buildings, or contents thereof, or which would be in violation of any law. No waste shall be committed in the Common Areas.

(d) Without the prior consent of the Board, Unit Owners shall not cause or permit anything to be placed on the outside walls of the Buildings and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof of any part thereof, and Unit Owners shall not cause or permit the enclosure (either partially or entirely) of any exterior portions of the Buildings.

(e) In order to enhance the sound conditioning of the Buildings, the floor covering for all occupied Units shall meet the minimum standard as may be specified by rules and regulations of the Board provided, however, that this provision shall not apply to any Unit containing more than one (1) story.

(f) No animals of any kind shall be raised, bred, or kept in any Unit or in the Common Areas except that dogs and cats or other usual household pets may be kept in Units, subject to rules and regulations adopted by the Board, provided that they are not kept, bred or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days’ written notice from the Board. The Board, may restrict pets from access to any
portions of the Common Areas, and may designate other portions of the Common Areas to accommodate the reasonable requirements of Unit Owners who keep pets.

(g) No noisome or offensive activity shall be carried on in any Unit or in the Common Areas, nor shall anything be done herein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or Occupants.

(h) Nothing shall be done in any Unit or in, on or to the Common Areas which will impair the structural integrity of the Buildings or which would structurally change the Buildings except as is otherwise provided herein. No Unit Owner shall overload the electric wiring in the Buildings, or operate machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others. No Unit Owner shall overload the floors of any Unit. The use of water-beds and similar furnishings and equipment which may cause floor overloads shall be subject to Board approval.

(i) No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials which are not in receptacles provided for such purpose.

(j) There shall be no playing, lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Common Areas except that subject to reasonable rules and regulations of the Board, (i) baby carriages, bicycles and other personal property may be stored in the common storage areas designated for the purpose and (ii) all amenity and service areas may be used for their intended purposes.

(k) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted in any Unit.

(l) No "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property. The right is reserved by the Declarant or its agents to place and maintain on the Property all model apartments, sales offices, management offices, advertising signs and lighting in connection therewith at such locations and in such forms as shall be determined by the Declarant or its agents. The initial location of the model apartments and sales offices are designated on the Plans. The Declarant or its agents and prospective purchasers and lessees of any Unit from the Declarant are hereby granted the right of ingress, egress and transient parking in and through the Common Areas for such Unit sale or leasing purposes. The Trustee or Developer further reserve the right to use unsold Units and Common Areas for temporary storage, office, sales and related purposes. The foregoing rights of the Declarant, or agents shall terminate upon the closing of the sale of the last Unit.

(m) The Unit restrictions in paragraphs (a) and (k) of this Section 7.01 shall not, however, be construed in such a manner as to prohibit a Unit Owner from: (i) maintaining his personal professional library therein; (ii) keeping his personal business or professional records or accounts therein; or (iii) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal residential use and not in violation of paragraphs (a) and (k) of this Section 7.01.

(n) With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. Any lease of Unit for less than one (1) month shall be deemed to be a lease for transient or hotel purposes. No Unit Owner may lease less than the entire Unit and all such leases shall be in writing. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

7.02 Amendment to By-laws. Articles V, VI and VII of this Declaration comprise the By-laws of the Association. The By-Laws may be amended pursuant to the provisions of Section 11.07 hereof which are applicable to this Declaration.

ARTICLE VIII

DAMAGE, DESTRUCTION, CONDEMNATION AND RESTORATION OF BUILDINGS

8.01 Partial Destruction. In the event of partial destruction of the improvements forming a part of the Property, or any portions thereof, including any Units from any cause, then the Association shall cause the Property to be promptly repaired and restored and the proceeds of the insurance carried by the Association shall be applied to the cost of such restoration. If the insurance proceeds are not adequate to cover the cost of such reconstruction or in the event there are no proceeds or in the event the Property is not withdrawn from the
provisions of this Declaration and from the provisions of the Act, then the costs of such reconstruction shall be borne by each Unit Owner in an amount equal to that Unit Owner's percentage of ownership interest in the Common Areas. Such amount shall be assessed as a Common Expense.

8.02 Complete Destruction. Within sixty (60) days after the date of any damage or destruction to any improvements forming a part of the Property, or any portions thereof, including any Units, from any cause, a special meeting of the Unit Owners called for that purpose shall be held to determine, by a vote of no less than two-thirds (2/3's) of all of the Unit Owners, whether a complete destruction has occurred pursuant to the terms of Section 19(b) of the Act. In the event the Unit Owners determine that a complete destruction has occurred, then, by a vote of no less than two-thirds (2/3's) of all of the Unit Owners, which vote shall occur at the same meeting, the Unit Owners shall determine whether to rebuild the Property. In the event such approval to rebuild is not obtained, then the provisions of Section 21 of the Act shall apply. In the event the Unit Owners determine that a complete destruction has not occurred, then the provisions of Section 8.01 hereof shall apply.

8.03 Eminent Domain.

In the event any portion of the Property is taken by condemnation or eminent domain proceedings, provision for withdrawal from the provisions of this Act of such portion so taken may be made by the Board. Upon the withdrawal of any Unit or portion thereof due to eminent domain, the percentage of interest in the Common Areas appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Areas, not necessarily including the Limited Common Areas, shall be allocated on the basis of each Unit Owner's percentage interest therein. Proceeds available from the withdrawal of any Limited Common Areas will be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Unit Owner shall cease.

8.04 Repair, Restoration or Reconstruction of the Improvements. As used in this Article, "repair, restoration or reconstruction" of improvements means restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and Common Areas having the same vertical and horizontal boundaries as before.

ARTICLE IX

REMEDIES

9.01 Abatement and Enjoinment. The violation of any restriction or condition or regulation adopted by the Board, or the breach of any covenant or provision herein contained, shall give the Board the right, upon not less than ten (10) days' notice, in addition to the rights set forth in the next succeeding section:

(a) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Declarant, or their successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or

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

All expenses of the board in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of eight percent (8%) per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same upon the Unit Ownership of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property. Any and all such rights and remedies may be exercised at any time and from time to time cumulatively, or otherwise, by the Board. In addition, any aggrieved Unit Owner shall have the same rights and remedies as the Board hereunder in connection with any such violation.

9.02 Involuntary Sale. If any Unit Owner (either by his own conduct or any other occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the regulations adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall recur after such notice, and subsequent curing thereof by the Unit Owner, then the Board shall have the power to issue

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to the defaulting Unit Owner a ten (10) day notice in writing to terminate the right of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit and thereupon an action in equity may be filed by the members of the Board against the defaulting Unit Owner for a decree of mandatory injunction against the Unit Owner or Occupant or, in the alternative, a decree declaring the termination of the defaulting Unit Owner’s right to occupy, use or control the Unit owned by him on account of the breach of covenant and ordering that the right, title and interest of the Unit Owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest in the Property at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys’ fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchase thereof shall thereupon be entitled to a deed to the Unit Ownership and, to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

9.03 Remedies for Failure to Pay Common Expenses. Each Unit Owner shall pay his proportionate share of the Common Expenses. Such proportionate share shall be in the same ratio as his percentage of ownership in the Common Areas as set forth in Exhibit A. In the event of the failure of a Unit Owner to pay such Common Expenses when due, the amount thereof shall constitute a lien on the interest of such Unit Owner, as provided by the Act; provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Unit Owner. Except as hereinafter provided, the lien provided for in this Section 9.03 shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure, such transfer of title shall to the extent permitted by law extinguish the lien for any assessments or other charges or payments under Section 6.01 which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Unit. In each of the two cases, however, the transferee of a Unit Ownership shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Unit Ownership has been extinguished pursuant to the preceding sentence which are reallotted among the Unit Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee’s Unit Ownership as provided in this Section 9.03. If any Owner fails to pay any installment of such Common Expenses within thirty (30) days after notice of default, the Board may accelerate the maturity of the remainder of installments of such Common Expenses due from such Unit Owner for the balance of the assessment year, and may enforce collection thereof and of all of such user charges then or thereafter falling due. A “late charge” in the amount of Thirty-five Dollars ($35.00) per month shall be charged to and assessed against such defaulting Unit Owner until paid, which late charge shall be subject to review by the Board from time to time. In addition to the foregoing, the Board (or the Declarant in the exercise of the powers, rights, duties and functions of the Board as provided in Section 11.01 hereof) or its agents shall have such other rights and remedies to enforce such collection as shall otherwise be provided or permitted by law from time to time.

ARTICLE X

MISCELLANEOUS PROVISIONS RE: MORTGAGEES

The following provisions are intended for the benefit of each holder of a first mortgage upon a Unit, and to the extent if at all, that any other provisions of this Declaration conflicts with the following provisions, the following provisions shall control:

(a) The Association shall furnish each first mortgagee of a Unit a written notice of any default by the Unit Owner of such Unit in the performance of such Unit Owner’s obligations under this Declaration which is not “cured” within thirty (30) days. Any first mortgagee of a Unit who comes into possession of the said Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure shall take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit).

(b) Upon request in writing, each first mortgagee of a Unit shall have the right:

(i) to examine the books and records of the Association during normal business hours;
(ii) to receive an annual financial statement from the Association within ninety (90) days following the end of each of its respective fiscal years; and

(iii) to receive notices of all meetings of the Association and to designate a representative to attend all such meetings; and

(iv) to receive notice of any decision by the Unit Owners to make a material amendment to this Declaration, By-laws contained herein or Articles of Incorporation of the Association.

(c) No provision of this Declaration or Articles of Incorporation of the Association or any similar instrument pertaining to the Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over any rights of the first mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, and/or the Common Elements, or any portion thereof or interest therein. In such event, the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such loss.

(d) There shall be included in each annual assessment levied by the Association (but not as a special assessment) an amount sufficient to establish an adequate reserve fund for the replacement of the Common Areas.

(e) Unless the first mortgagees of all of the individual Units which have become a part of the Property have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to:

(i) by act or omission seek to abandon or terminate the condominium regime, except for abandonment provided by the Act in case of complete destruction to the Buildings.

(ii) change the pro rata interest or obligations of any Unit Owner for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (2) determining the pro rata share of ownership of each Unit Owner in the Common Areas, except as provided in Section 6.03 hereof;

(iii) partition or subdivide any Unit;

(iv) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas by the condominium project shall not be deemed a transfer within the meaning of this clause;

(v) use hazard insurance proceeds for losses to any Property (whether to Units or to Common Areas) for other than the repair, replacement, or construction of such improvements, except as provided by statute in case of substantial loss to the Units and/or the Common Areas of the Property;

(vi) terminate professional management of the Property and assume self-management of the same; and

(vii) materially amend the Declaration.

(f) Upon specific written request to the Association, each first mortgagee of a Unit shall be furnished notice in writing by the Association of any damage to or destruction or taking of the Common Areas if such damage or destruction or taking exceeds Ten Thousand Dollars ($10,000.00) or if damage shall occur to a Unit in excess of One Thousand Dollars ($1,000.00), notice of such event shall also be given.

(g) If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any document will entitle the owner of a Unit or other party to priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

ARTICLE XI

GENERAL PROVISIONS

11.01 Certain Rights of the Declarant. Until the time established by this Declaration for the election of the Initial Board by the Unit Owners, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board in the Act and in this Declaration shall be held and performed by the Declarant. If the Initial Board shall not be elected by the Unit Owners at the time established by the Declaration, the Declarant shall continue in the aforesaid office for a period of thirty (30) days after written notice of its resignation is sent to all of
the Unit Owners entitled to vote at such election. In exercising such rights, and the other rights reserved by the
Declarant pursuant to this Declaration, the Declarant (or their designees on the Board) shall not be under any
disability which would otherwise be imposed by law by reason of the Declarant's interest in the subject matter of
any transaction, provided, however, that any such transaction shall have been entered into in good faith.

11.02 Notice to Mortgages. Upon written request to the Board, the holder of any duly recorded mortgage
or trust deed against any Unit Ownership shall be given a copy of any and all notices permitted or required by this
Declaration to be given to the Unit Owner whose Unit Ownership is subject to such mortgage or trust deed.

11.03 Manner of Giving Notices. Notices provided for in this Declaration and in the Act shall be in writing
and shall be addressed to the Board or Association, or any Unit Owner, as the case may be, at the address of the
respective Unit Owner (indicating thereon the number of a respective Unit if addressed to a Unit Owner), or at
such other address as herein provided. Any Unit Owner may designate a different address or addresses for
notices to him by giving notice of his change of address to the Board or Association. Notices addressed as above
shall be deemed delivered three (3) business days after being mailed by United States first class mail, postage
prepaid, or when delivered in person with written acknowledgement of the receipt thereof, or if addressed to a
Unit Owner, when deposited in his mailbox in the Building or at the door of his Unit in the Building.

11.04 Notices to Estate or Representatives. Notices required to be given any devisee, heir or personal
representative of a deceased Unit Owner may be delivered either personally or by mail to such party at his or its
address appearing in the records of the court wherein the estate of such deceased Unit Owner is being
administered.

11.05 Conveyance and Leases. Each grantee of the Declarant and each subsequent grantee by the accept-
ance of a deed of conveyance, and each purchaser under a purchase contract therefor, and each tenant under a
lease for a Unit, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and
charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits
and privileges of every character hereby granted, created, reserved or declared, and all impositions and obliga-
tions hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person
having at any time interest or estate in the Property, and shall inure to the benefit of such Unit Owner in like
manner as though the provisions of the Declaration were recited and stipulated at length in each and every deed
of conveyance.

11.06 No Waivers. No covenants, restrictions, conditions, obligations or provisions contained in this Decla-
ration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same,
inrespective of the number of violations or breaches which may occur.

11.07 Change, Modification, or Rescission. No provision of this Declaration affecting the rights, privileges
and duties of the Declarant may be modified without their respective written consent. The provisions of Section
9.03, Article X and the following provisions of Section 11.07 of this Declaration may be changed, modified, or
rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknow-
ledged by the Board, and by all of the Unit Owners and all mortgagees having bona fide liens of record against any
of the Unit Ownership. Other provisions of this Declaration may be changed, modified or rescinded by an
instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the
Board, and approved by Unit Owners having at least seventy-five percent (75%) of the total vote at a meeting
called for that purpose provided, however, that all holders of first mortgages of record have been notified by
certified mail of any change, modification, or rescission, and an affidavit by the Secretary of the Association
certifying to such mailing is made a part of such instrument and provided further that any provisions herein which
specifically grant rights to holders of first mortgages of record may be amended only with the written consent of
all such holders of first mortgages. The change, modification or rescission shall be effective upon recordation of
such instrument in the office of the Recorder of Marion County, Indiana.

11.08 Partial Invalidity. The invalidity of any covenant, restriction, condition, limitation or any other provi-
sion of this Declaration, or any part of the same, shall not impair or affect in any manner the validity, enforceability
or effect of the rest of this Declaration.

11.09 Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this
Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some
analogous statutory provisions, (b) the rule restricting restraints on alienation, or (c) any other statutory or
common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after
the death of the survivor of the now living lawful descendants of Sir Georg Solti, Music Director of the Chicago
Symphony Orchestra.

11.10 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its
purpose of creating a uniform plan for the operation of a first-class condominium development.
11.11 Floor Plans. The Plans setting forth the layout, location, identification numbers and dimensions of the Units and the Property are incorporated into this Declaration by reference, and have been filed in the office of the Recorder of Marion County, Indiana, in Horizontal Property Plan File __________, as of __________, 1979, as Instrument Number 19-34107.

11.12 Special Amendment. Developer and/or Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran’s Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Act or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer and/or Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Developer and/or Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Developer and Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant or Developer no longer holds or controls title to a Unit.

In Witness Whereof, Knoll Associates, an Indiana general partnership, has caused this Declaration to be executed the day and year first above written.

KNOLL ASSOCIATES,
AN INDIANA GENERAL PARTNERSHIP

By: [Signature]
General Partner
STATE OF ILLINOIS  
COUNTY OF COOK  

I, Jane B. Bidak, a Notary Public in and for the County and State aforesaid, do hereby certify that Philip H. Wilkins, as a partner of Knoll Associates, an Indiana general partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said partnership for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 25th day of July, 1979.

I reside in Cook County, Illinois

My Commission Expires:

Notary Public (Signed)

Jane B. Bidak

Notary Public (Printed)

JANE B. BIDAK

This instrument was prepared by:

HERBERT A. KESSEL, ESQ.
RUDINICK & WOLFE
30 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602

22 79 55147
CONSENT OF MORTGAGEE

Continental Illinois National Bank and Trust Company of Chicago, holder of a Mortgage on the Property dated February 27, 1979 and recorded as Document Number 79-14083 hereby consents to the execution and recording of the within Declaration of Horizontal Property Regime and agrees that said Mortgage is subject thereto and to the provisions of the Horizontal Property Law of the State of Indiana.

In Witness Whereof, the said Continental Illinois National Bank and Trust Company of Chicago has caused this Instrument to be signed by its duly authorized officers on its behalf: all done at Chicago, Illinois, on this day of __________, 1979.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

By: [Signature]

Vice President

ATTEST:

[Signature]

Real Estate Officer

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STATE OF ILLINOIS
COUNTY OF COOK

I, ____________________________, a Notary Public in and for said County and State, do hereby certify that __________________________ and __________________________, Vice President and Real Estate Officer, respectively, of Continental Illinois National Bank and Trust Company of Chicago, as such Vice President and Real Estate Officer, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial seal this 26th day of July, 1979.

I reside in __________________________ County, Illinois

My Commission Expires:

My Commission Expires June 30, 1981

______________________________
Notary Public (Signed)

______________________________
Notary Public (Printed)

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CERTIFICATE OF AMENDMENT OF DECLARATION OF HORIZONTAL PROPERTY REGIME

THIS INSTRUMENT, executed as of the 6th day of May, 1984, by Mildred S. Compton, Franklin I. Miroff, Martha M. Shertzer, Stanley K. Stern, and E. Clay Ulen ("the Directors"), in their capacities as members of the Board of Directors ("the Board") of The Knoll Condominium Association, Inc., an Indiana not-for-profit corporation ("the Association"), WITNESSES AS FOLLOWS:

I. Statement of Background Facts

A. Under date of July 30, 1979, an instrument entitled "Declaration of Horizontal Property Regime and of Easements, Restrictions, Covenants[,] and By-Laws for The Knoll Condominium Association [(A Not-for-Profit Corporation[)],"
which is hereinafter referred to as "the Declaration," was recorded in the office of the Recorder of Marion County, Indiana, as Instrument No. 79-55147.

B. Articles V, VI, and VII of the Declaration comprise the provisions for the administration of the property that is the subject of the Declaration and are designated in the Declaration as, and are hereinafter referred to as, "the By-laws."

C. At a special meeting of the members of the Association entitled to vote in respect of the amending of the By-Laws ("the Special Meeting"), the By-laws were amended,
as of the 6th day of May, 1984, so as to read as does
attached Exhibit A (which is incorporated in, and made a
part of, this instrument by this reference thereto), the
By-laws as so amended being hereinafter referred to as "the
Amendment." The Special Meeting was called for the purpose
of affording the members of the Association the opportunity
of approving or disapproving the Amendment and was held
pursuant to notice given in accordance with the applicable
provisions of the Declaration and the Indiana statute
pertaining to condominiums (which is officially codified as
Chapter 6 of Article 1 of Title 32 of the Indiana Code and
is hereinafter referred to as "the Statute"). The Special
Meeting was convened on April 15, 1984, and was on that day
adjourned to April 29, 1984, on which latter day the Special
Meeting was reconvened and adjourned to May 6, 1984, on
which last-mentioned day the Special Meeting was reconvened
and, at about 1:45 o'clock p.m. (Eastern Standard Time),
adjourned sine die. Prior to the adjournment of the Special
Meeting sine die, voting members present at the Special
Meeting in person or by proxy cast, in favor of the Amendment,
votes exceeding Seventy-five percent (75%) of the maximum
number of votes that could have been cast by the voting
members of the Association at the Special Meeting had all
the voting members of the Association been present and voting
at the Special Meeting, in consequence of which the Amendment
was, as aforesaid, adopted.
D. After the adoption of the Amendment at the Special Meeting as aforesaid, the Secretary of the Association did, in compliance with the requirements of Section 11.07 of Article XI of the Declaration, give written notice of the adoption of the Amendment, by United States certified mail, to every holder of a first mortgage of record that then encumbered any part of the property that is the subject of the Declaration. An affidavit of the Secretary of the Association that pertains to such mailing of written notice to first mortgagees is attached hereto, is marked "Exhibit B," and is incorporated in, and made a part of, this instrument by this reference thereto.

E. The adoption of the Amendment was effected in accordance with every applicable provision of the Declaration and every applicable provision of the Statute, except the provisions of the Declaration and the Statute pertaining to the execution and recordation of such an instrument as the instant instrument, and it is for the purpose of meeting those requirements of execution and recordation of such an instrument as the instant instrument that the instant instrument is being executed and will be recorded in the office of the Recorder of Marion County, Indiana.

II. Operative Parts

In consideration of the premises, and for the purpose of complying with those provisions of the Declaration
and the Statute that require the execution and recordation of such an instrument as the instant instrument in connection with the adoption of the Amendment, the Directors have declared, and do declare, as follows:

1. Concerning the Statement of Background Facts; etc. Every statement contained in Part I of this instrument (which Part I is entitled "Statement of Background Facts") is true and complete, and every relevant and material fact pertaining to the adoption of the Amendment is set out, in a true and complete form, in Part I of this instrument. Exhibit A to this instrument is an exact copy of the Amendment, and Exhibit B is an original instrument.

2. Concerning Articles I, II, III, IV, VIII, IX, X, and XI of the Declaration. Although the Amendment specifically changed only Articles V, VI, and VII of the Declaration, the Amendment affects other parts of the Declaration ("the Other Parts of the Declaration"). It is the intention of the Association, which was made clear by the Association's adoption of the Amendment and is here expressed for the Association through the Directors, that, inasmuch as the Amendment is the most recently adopted part of the Declaration, and inasmuch as the Amendment deals specifically with those matters that it addresses, these rules of construction of the Amendment and the Other Parts of the Declaration shall apply.
(a) The Other Parts of the Declaration shall be construed as though there had been made in the Other Parts of the Declaration every formal change that (for the purpose of bringing the Other Parts of the Declaration, on the one hand, and the Amendment, on the other hand, into perfect formal harmony) might have been made, for the purpose just mentioned, in the Other Parts of the Declaration.

(b) In any case in which a provision of the Other Parts of the Declaration and a provision of the Amendment are in conflict, the provision of the Amendment shall be the governing and controlling provision.

IN WITNESS WHEREOF, this Certificate has been signed by the Directors (viz., Mildred S. Compton, Franklin I. Miroff, Martha M. Shertzer, Stanley K. Stern, and E. Clay Ulen) as of the 6th day of May, 1984.

[Signatures]

-5-
STATE OF INDIANA )
COUNTY OF MARION ) SS:

Before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared Mildred S. Compton, who acknowledged her execution of the foregoing Certificate of Amendment of Declaration of Horizontal Property Regime to be her voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal on this 21st day of July, 1984.

I am a resident of Marion County, Indiana, and my commission expires:

(Notary Public)

STATE OF INDIANA )
COUNTY OF MARION ) SS:

Before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared Franklin I. Miroff, who acknowledged his execution of the foregoing Certificate of Amendment of Declaration of Horizontal Property Regime to be his voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal on this 21st day of July, 1984.

I am a resident of Marion County, Indiana, and my commission expires:

(Notary Public)
STATE OF INDIANA
COUNTY OF MARION

Before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared Martha M. Shertzer, who acknowledged her execution of the foregoing Certificate of Amendment of Declaration of Horizontal Property Regime to be her voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal on this 7th day of July, 1984.

[Signature]
(Printed: James N. Sample)
(Notary Public)

STATE OF INDIANA
COUNTY OF MARION

Before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared Stanley K. Stern, who acknowledged his execution of the foregoing Certificate of Amendment of Declaration of Horizontal Property Regime to be his voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal on this 7th day of July, 1984.

[Signature]
(Printed: James N. Sample)
(Notary Public)
STATE OF INDIANA )
COUNTY OF MARION )

Before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared E. Clay Ulen, who acknowledged his execution of the foregoing Certificate of Amendment of Declaration of Horizontal Property Regime to be his voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal on this 2nd day of July, 1984.

I am a resident of Marion County, Indiana, and my commission expires: June 17, 1985

Printed: E. Clay Ulen
(Notary Public)

This instrument was prepared by E. Clay Ulen.
ARTICLE V

Administration

5.01. Administration of Property. The administration of the Property shall be vested in the Association, which shall, in general, act through its Board of Directors ("the Board").

5.02. Concerning the Association and the Members of the Association. Provisions pertaining to the description of the Association and its duties, to membership in the Association, and to meetings of the Members of the Association are set out in subsections (a) through (d), below, of this Section 5.02.

(a) In General. The Association is an Indiana not-for-profit corporation, and it shall act for all of the Unit Owners in the maintenance, repair, replacement, administration, and operation of the Property. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions contained in this Declaration.

(b) Members of the Association. The Association shall have only one class of members. Membership in the Association is limited to persons who are, individually or in association with other persons, owners of Units. Consequently, a person's status as a Member of the Association begins when he or she, individually or in association with another person or other persons, becomes an owner of a Unit, and ends when he or she ceases to be, individually or in association with another person or other persons, an owner of a Unit. The term "Member of the Association" is equivalent to the term "Unit Owner" in any case in which the Unit in question is owned by one natural person and by no other person. In the case that is deemed the more usual by the draftsmen of this Declaration, the ownership of a particular Unit is vested in more than one person, wherefore, and because of the conviction of the draftsmen that the opportunity to participate in the affairs of the Association should be available to every person who has, individually or in association with another person or other persons, an ownership interest in a Unit, the meaning of the term "Member of the Association" is to be determined. In any case, in accordance with the rules that are set out in paragraphs (i) through (viii), below, of this subsection (b).

(i) In every case in which the fee simple title to a Unit shall be held by one natural person, the term "Member of the Association" shall mean such natural person.

(ii) In every case in which the fee simple title to a Unit shall be held by a husband and wife, as tenants by the entirety, the term "Member of the Association" shall mean each of such spouses.

(iii) In every case in which the fee simple title to a Unit shall be held by joint tenants, with the right of survivorship, the term "Member of the Association" shall mean each of such joint tenants.

(iv) In every case in which the fee simple title to a Unit shall be held by tenants in common, the term "Member of the Association" shall mean each of such tenants in common.
(v) If, in any case to which paragraph (iii) or (iv), above, of this subsection (b) refers, a joint tenancy or a tenancy in common shall include a tenant that is itself a tenancy by the entirety, or joint tenancy, or a tenancy in common (any of which included tenancies is hereinafter referred to as "an included tenancy"), then the term "Member of the Association" shall mean not only every tenant determined under paragraph (iii) or (iv), above, of this subsection (b), as the case may be, but, as well, each member of each included tenancy.

(vi) In any case in which the fee simple title to a Unit shall be held, in whole or in part, by a title-holding entity that is not a natural person (such as a corporation, a partnership, or the trustee or trustees of a trust), the term "Member of the Association" shall mean that one natural person who shall have been designated (by an appropriate written notice lodged with the Board) to act, on behalf of such title-holding-entity—that is not a natural-person, at meetings, or at any specified meeting, of Members of the Association.

(vii) In any case in which the fee simple title to a Unit shall be held in a way for which provision shall not have been made in the foregoing paragraphs of this subsection (b), the term "Member of the Association" shall be specifically defined by the Board in general accordance with the spirit of the foregoing paragraphs of this subsection (b), which spirit contemplates that status as a Member of the Association shall be accorded to every natural person who has a present legal estate, in fee simple, in all or any part of a Unit, and to the appropriately designated representative of every other person (i.e., every nonnatural person) that has a present legal estate, in fee simple, in all or any part of a Unit.

(c) Voting Rights of Members of the Association. There shall be one Member of the Association with respect to each Unit who shall be entitled to cast, at any meeting of the Members of the Association, the Unit Vote (which term is defined in Section 5.02(d)(i)(A), below) for that Unit. Such Member shall be known as (and shall hereinafter be referred to as) "the Voting Member," which term means that natural person who is a Member of the Association and who is (in respect to the Unit for which he purports to act as Voting Member) either the sole owner of the fee simple title to that Unit or an owner, with another person or other persons, of the fee simple title to that Unit and who shall have been designated, by all of those persons who are owners of that Unit, as the Voting Member for that Unit. Each designation of a Voting Member shall be effected by an appropriate written notice that shall be lodged with the Board; provided, however, that in the case of a title-holding entity to which Section 5.02(b)(vii), above, applies, the term "Voting Member" shall be synonymous with the term "Member of the Association," and, in the case of a title-holding entity to which Section 5.02(b)(vii), above, shall apply, the rule by which the determination of the Voting Member for the entity shall be made shall be established by the Board contemporaneously with the Board's definition of the term "Member of the Association" in respect of that entity. In any case in which two or more natural persons who own the fee simple title to a Unit shall have failed to designate a Voting Member for that Unit in accordance with the provisions of this subsection (c), the Voting Member for that Unit shall be, for the time being, the natural person whose name appears first in the instrument by which those natural persons shall have acquired the fee simple title to that Unit; and, in any case in which a corporation that
owns the fee simple title to a Unit shall have failed to designate a Voting Member for that Unit in accordance with the provisions of this subsection (c), the Voting Member for that Unit shall be, for the time being, the resident agent of that corporation; and, in any case in which the identity of the Voting Member for a Unit cannot be identified by reference to any of the rules that are set out in the preceding parts of this subsection (c), the Voting Member for the Unit in question shall be designated by the Board, from time to time. The Unit Vote in respect of each Unit shall be cast either by the Voting Member or by a person appointed by the Voting Member to act as a proxy on behalf of such Voting Member; provided, however, that, at any meeting of the Members of the Association, the Unit Vote in respect of a particular Unit may be cast by any Member of the Association who is present at the meeting and whose status as a Member of the Association is ascribable to the Unit in question (even though he or she is not a Voting Member), if, but only if, neither the Voting Member for that Unit, nor a duly-appointed proxy in respect of that Unit, shall be present at that meeting. No person may serve as such a proxy unless he is a Member of the Association himself and unless his written appointment shall have been lodged with the Board prior to the commencement of the meeting at which such person is to act. Such an appointment of a proxy shall be revocable at any time by actual notice to the Board of the death or judicially-declared incompetence of the Voting Member who shall have made the appointment or by written notice given to the Board by the Voting Member who shall have made the appointment.

(d) Meetings of Members of the Association. Meetings of the Members of the Association shall take place, and be conducted, in accordance with the provisions of paragraphs (i) through (viii), below, of this subsection (d).

(i) Definitions Relevant to the Casting of Votes at Meetings of Members of the Association. To clarify those provisions of this Declaration that pertain to meetings of the Members of the Association, two arbitrary terms will be used hereinafter with more or less frequency, each of which terms shall have, wherever it appears in this Declaration, the meaning given to it in subparagraph (A), below, of this paragraph (i).

(A) The term "Unit Vote" shall mean the value (numerically expressed) of the vote that can be cast in respect of a particular Unit at a meeting of Members of the Association at which a vote is taken. The value of the vote that can be cast (i.e., the Unit Vote) in respect of a particular Unit is that seven-digit number, preceded by a decimal point, that is set out opposite the designation of the Unit in question in Exhibit A. The total value of all Unit Votes (which total value is hereinafter referred to as "the Maximum Number of Unit Votes") is 1.0.

(ii) Annual and Special Meetings of Members of the Association. Members of the Association shall meet in annual meetings and may meet in special meetings, which meetings are described, respectively, in subparagraphs (A) and (B), below, of this paragraph (ii).

(A) Annual Meetings of Members. An annual meeting of the Members of the Association shall be held on the second Tuesday of May in each year at 7:30 P.M., or at such other
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(B) **Time Within Which Notice Must Be Given.** Notice of a meeting of Members of the Association, whether an annual or a special meeting, shall be given not less than ten (10) days, nor more than thirty (30) days, before the date fixed for the meeting in question.

(C) **Content of Notice.** A notice of a meeting of Members of the Association shall state the date, time, place, and purpose of the meeting.

(D) **Waiver of Notice.** A waiver of the right to notice of any meeting of Members of the Association shall be deemed to have become effective in respect of all Members of the Association who represent a particular Unit -

1. If a written waiver of the right to notice of the meeting shall have been filed by the Voting Member for the Unit in question, if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting was called and the time and place thereof; or

2. If the meeting shall be attended either by the Voting Member for the Unit in question or by the person whom that Voting Member shall have appointed as his proxy (if the instrument of proxy sets forth in reasonable detail the purpose or purposes for which the meeting was called and the time and the place thereof).

(vi) **Quorum at a Meeting of Members.** With the exceptions that are to be inferred from the provisions of subparagraph (B) of paragraph (vii), below, of this subsection (d), the rule respecting the existence of a quorum for the transaction of business at a meeting of Members of the Association is that such a quorum shall exist if, at the meeting in question, Unit Votes having a total value equal to, or in excess of, .25 can be cast by Voting Members and proxies who are present.

(vii) **Vote Required for the Taking of Action at a Meeting of Members.**

(A) **In General.** With the exceptions that are dealt with in subparagraph (B), below, of this paragraph (vii), the rule respecting the vote that shall be necessary for the taking of action at a meeting of Members of the Association is that any action may be taken at any meeting of Members of the Association at which a quorum is present at the time of the vote in question if the total value of the Unit Votes that shall have been cast in favor of the action shall be equal to, or shall exceed, fifty-one percent (51%) of the total value of all of the Unit Votes that could have been cast in respect of the action in question by Voting Members who are present and by proxies who
are present. For example (and disregarding the effect of the abovementioned exceptions): If Unit Votes having a total value of .3230100 may be cast at the meeting in question by Voting Members who are present and proxies who are present at the time the vote is taken, then any proposal before the meeting will be carried if Unit Votes having a total value of .1679652 (or more) are properly cast in favor of the proposal by Voting Members who are present or proxies who are present, inasmuch as .1679652/.3230100 = .52.

(B) Concerning Extraordinary Actions in Respect of Which a Vote of Not Less than Two-Thirds of the Maximum Number of Unit Votes is Required. Notwithstanding the apparent effect of any other provision of this Declaration, none of the actions that are described in clauses (1.) through (9.), below, of this subparagraph (B) may be taken by the Board, by the Unit Owners, by the Association, or by the Members of the Association, unless Unit Votes having a total value equal to, or in excess of, .667 shall be properly cast in favor of the action in question. (N.B. The foregoing specification of .667 means 66-2/3% (or two-thirds) of the Maximum Number of Unit Votes.) The actions to which the provisions of the immediately preceding sentence are applicable (which are herein referred to as "Extraordinary Actions," as are the actions described in subparagraph (C), below, of this paragraph (viii)) are described as follows:

(1.) The merger or consolidation of the Association with another entity.

(2.) The sale, lease, exchange, mortgage, pledge, or other disposition or encumbrance of all, or substantially all, of the property and assets that are controlled by the Association.

(3.) The purchase (which term is to be understood as including, but not being limited to, any purchase at a lien-foreclosure sale or at any other judicial or involuntary sale) or sale of any Unit, or other real estate, by the Association.

(4.) The increase or decrease of the number of members of the Board.

(5.) The decrease of the length of the term to be served by a member of the Board.

(6.) The removal of a member of the Board.

(7.) The expenditure of more than Ten thousand Dollars ($10,000.00) from the Maintenance Fund of the Association (which Maintenance Fund is
defined in Article VI, below) for any single project of structural alteration of, capital addition to, or capital improvement of, any part of the Common Areas, unless the expenditure in question shall be necessary to the replacement or restoration of a preexisting part of the Common Areas or shall be necessitated by an emergency and for the purpose of protecting the affected part of the Common Areas from destruction or substantial damage or for the purpose of assuring the continued operation of a part of the Common Areas whose continued operation is necessary to the general welfare of the Unit Owners.

(3) A determination (pursuant to Section 8.02, below) that the Property has been completely destroyed.

(4) A determination (pursuant to Section 8.02, below) to rebuild the Property in the event of a preceding determination that the Property has been completely destroyed.

(C) Concerning Extraordinary Actions in Respect of Which a Vote of Three-Quarters, or of All of the Maximum Number of Unit Votes is Required. Notwithstanding the apparent effect of any other provision of this Declaration, none of the Extraordinary Actions that are described in clauses (1) and (2), below, of this subparagraph (C) may be taken by the Board, by the Unit Owners, by the Association, or by the Members of the Association, unless Unit Votes having a total value equal to, or in excess of, .75, in the case of the Extraordinary Action described in clause (1), below, or equal to 1.0, in the case of the Extraordinary Action described in clause (2), below, shall be properly cast in favor of the action in question. (N.B. The foregoing specifications of .75 and 1.0 mean, respectively, 75% (or three-fourths) of the Maximum Number of Unit Votes and 100% (or all) of the Maximum Number of Unit Votes.) The Extraordinary Actions to which the provisions of the immediately preceding sentence are applicable are described as follows:

(1) The change, modification, or rescission of any part of this Declaration other than any part that is specified in clause (2), below, of this subparagraph (C).

(2) The change, modification, or rescission (a) of all or any part of Section 8.03, below, (b) of all or any part of Article X, below, (c) of the last two sentences of Section 11.07, below, or (d) of any provision of Section 3.01, above, that (by the terms
of said Section 3.01) cannot be changed without the unanimous consent of the Unit Owners.

(D) Concerning Conflicts, as Respects Requisite Number of Votes. Between this Declaration and the Act, in any case in which this Declaration shall seem to empower the Board, the Unit Owners, the Association, or the Members of the Association to take a particular action when there shall have been cast, in favor of taking the action in question, Unit Votes having a total value that is less than the corresponding value specified in (or to be inferred from) the Act as necessary to the taking of the action in question, the provision of the Act shall control.

(viii) Rules for Conduct of Meetings of Members. The Board may prescribe reasonable rules for the conduct of meetings of the Members of the Association. If the Board shall not have prescribed such a rule to fit a particular case, Robert's Rules of Order shall be looked to for guidance.

5.03. Concerning the Board of Directors of the Association. Provisions pertaining to the number (and qualifications) of members of the Board of Directors of the Association, to the holding of meetings of the Board, to the powers and duties of the Board, and to other matters related to the composition of the Board and to its operations are set out in subsections (a) through (l), below, of this Section 5.03.

(a) Number (and Qualifications) of Members of the Board. The number of members of the Board shall be five (5). The number of members of the Board may be increased or decreased by the Unit Owners at any annual or special meeting, voting in accordance with the provisions of Section 5.02(d)(vii)(B)(4), above, but the number of members of the Board shall not be less than three (3). Each member of the Board shall be a Member of the Association and shall reside on the Property. No member of the Board shall be entitled to any compensation for his service as such a member. If a member of the Board fails to meet the abovementioned qualifications during his term, he shall thereupon cease to be a director, and his place on the Board shall be deemed vacant.

(b) Duration of Terms of Board Members. Subject to those provisions of subsection (d), below, of this Section 5.03 that pertain to the filling of vacancies on the Board, the duration of the term of each member of the Board shall be two (2) years, but a person may succeed himself as a member of the Board. The duration of a Board member's term may be shortened by the Members of the Association at any annual or special meeting, voting in accordance with the provisions of Section 5.02(d)(vii)(B)(5), above. In each year, the terms of at least one-third (1/3) of the members of the Board shall end.

(c) Manner of Election of Members of the Board. So long as the number of the members of the Board shall be five (5), there shall be elected, at the annual meeting of the Members of the Association that shall be held in each odd-numbered year, by the persons entitled to cast Unit Votes at the annual meeting of Members of the Association, three (3) persons to serve as members of the Board, and, at the annual meeting of the Members of the Association that shall be held in each even-numbered year, by the persons entitled to cast Unit Votes at the annual meeting of Members of
the Association, two (2) persons to serve as members of the Board. The term of each person elected to the Board shall begin on the day of his election and shall expire two (2) years thereafter, or when his successor shall be elected and qualified. Voting for candidates for the Board shall be accomplished through the casting of Unit Votes on a noncumulative basis, and those three (3) candidates who shall have received the highest number of votes in the election held in an odd-numbered year shall be deemed to have been elected to the Board for two (2)-year terms beginning on the day of their election, and those two (2) candidates who shall have received the highest number of votes in the election held in an even-numbered year shall be deemed to have been elected to the Board for two (2)-year terms beginning on the day of their election. When the breaking of a tie shall be necessary to determine who shall have been elected to the Board, the tie shall be broken by lot. (The term “highest number of votes,” as used in this subsection (c), contemplates a comparison of the total value of the Unit Votes cast for a particular candidate with the total value of the Unit Votes cast for each of the other candidates. Thus the expression “those three (3) candidates who shall have received the highest number of votes” means that combination of three (3) candidates for whom there shall have been cast Unit Votes having a total value that exceeds the total value of the Unit Votes cast for any other combination of three (3) candidates.)

(d) Vacancies on the Board. Except any vacancy that results from the removal of a member of the Board pursuant to the provisions of Section 5.03(e), below, vacancies on the Board, including vacancies resulting from an increase in the number of members of the Board pursuant to Section 5.02(d)(vii)(b)(4), above, shall be filled by majority vote of the remaining members of the Board. Any person who shall be so elected to fill a vacancy on the Board shall serve for a term equal in length to the remainder of the term of the Board member whom he shall be succeeding, or, in the case of any person who shall have been elected to fill a vacancy resulting from a duly-affected increase in the number of members of the Board, for such a term as shall have been specified in (or be in accordance with the provisions of) the amendment of this Declaration by which such increase in the number of members of the Board shall have been effected.

(e) Removal of Board Members. Any Board member may be removed from the Board, for cause, at a special meeting of the Members of the Association that shall have been called for the purpose of allowing the Members of the Association to consider the removal, if the removal shall have been effected by such a vote as is specified in Section 5.02(d)(vii)(b)(6), above. A successor to fill the unexpired term of a Board member so removed shall be elected at the same meeting of the Members of the Association at which the removal shall have been effected or at any subsequent meeting of the Members of the Association that shall have been called for that purpose.

(f) Meetings of the Board. Meetings of the members of the Board of Directors of the Association shall take place, and be conducted, in accordance with the provisions of paragraphs (i) through (viii), below, of this subsection (f).

(i) Annual and Special Meetings of the Members of the Board. The Board shall meet in annual meetings and may meet in special meetings, which meetings are described, respectively, in subparagraphs (A) and (B), below, of this paragraph (i).
(A) **Annual Meetings of the Board.** An annual meeting of the Board shall be held in each year immediately after the conclusion of the annual meeting of the Members of the Association (or as soon after the conclusion of the annual meeting of the Members of the Association as is possible), in order that the members of the Board may elect officers of the Board to serve until the next annual meeting of the Board and may conduct such other business as may properly come before the meeting.

(B) **Special Meetings of the Board.** The Board shall hold such special meetings as the effective discharge of the Board's duties shall, in the sole judgment of a majority of the members of the Board, make necessary or desirable.

(ii) **Place of Meetings of the Board.** Every meeting of the Board shall be held on the Property or at such other place in Marion County, Indiana, as shall have been specified in the notice of the meeting in question.

(iii) **Who May Attend, and Participate in, Meetings of the Board.** Any meeting of the Board with respect to which such a notice as is described in paragraph (iv), below, of this subsection (f) shall have been given may be attended by any Member of the Association, but no person who is not a member of the Board shall have a right to notice of any such meeting. No Member of the Association who is not a member of the Board shall be entitled to speak at or otherwise participate in any meeting of the Board.

(iv) **Notices of Meetings of the Board.** Written notice of every meeting of the Board stating the place, date, hour, and purpose of the meeting shall be delivered by the Secretary of the Board to each member of the Board, personally or by mail, not less than five (5) days before the date of the meeting. A member of the Board may waive, in writing, notice of any meeting of the Board if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting was called and the time and place thereof. A Board member's attendance at any meeting of the Board shall constitute a waiver of notice of that meeting.

(v) **Quorum at a Meeting of the Board.** A majority of the number of incumbent members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board.

(vi) **Vote Required for the Taking of Action at a Meeting of the Board.** At any meeting of the members of the Board at which a quorum shall be present and acting, a decision taken by a majority of the Board members who are present shall constitute a decision of the Board, unless, in respect of the particular action to be taken, some other provision of this Declaration, or some provision of the Act, shall require, for decision, a unanimous, or more nearly unanimous, vote of the members of the Board, in which case the other provision of this Declaration or of the Act, as the case may be, shall govern.
(vii) **Rules for Conduct of Board Meetings.** Meetings of the Board shall be conducted in accordance with such rules of procedure as may be adopted by the members of the Board, from time to time, and are consistent with the provisions of this Declaration and of the Act.

(g) **Officers of the Board (and of the Association).** At each of its annual meetings, the Board shall elect from among its members, for the term of one (1) year: (i) a President, who shall preside over the Board’s meetings and over the meetings of the Members of the Association, and who shall be the chief executive officer of the Board and the Association, and who shall be the person to whom all notices to the Board shall be directed, and who shall execute all amendments to this Declaration in accordance with the provisions of this Declaration and those of the Act; (ii) a Secretary, who shall keep the minutes of all meetings of the Board and of the Members of the Association, and who shall, in general, perform all the duties incident to such an office; (iii) a Treasurer, who shall keep the financial records and books of account of the Association; and (iv) such additional officers as the Board shall see fit to elect. Vacancies in any office shall be filled by the Board by a majority vote of the incumbent members thereof at a special meeting of the Board. Any member of the Board elected to fill such a vacancy shall hold office for a term equal in length to the remainder of the term of the officer whom he shall be succeeding. Any officer may be removed for cause at any time by a vote of a majority of the incumbent members of the Board at a special meeting of the Board.

(h) **General Powers and Duties of the Board.** In exercising the powers, and performing the duties, that are defined in this subsection 5.03(h) (and elsewhere in this Declaration), the Board shall be subject to the limitation that it cannot acquire, or pay for, from the Maintenance Fund (which Maintenance Fund is defined in Article VI, below), any structural alteration of, capital addition to, or capital improvement of, any part of the Common Areas that requires the expenditure of more than Ten Thousand Dollars ($10,000.00) without such an expenditure’s having been approved in accordance with the provisions of Section 5.02(d)(vii)(b)(ii), above (unless the expenditure in question shall be necessary to the replacement or restoration of a preexisting part of the Common Areas or shall be necessitated by an emergency and shall be for the purpose of protecting the affected part of the Common Areas from destruction or substantial damage or for the purpose of assuring the continued operation of a part of the Common Areas whose continued operation is necessary to the general welfare of the Unit Owners). Subject to the provisions of the preceding sentence, the Board shall have the general power and the general duty to act for the Association in the administration of the Property and shall exercise those other powers, and perform those other duties, that are described in paragraphs (i) through (ix), below, of this subsection (h).

(i) **The Board’s Power to Engage a Managing Agent.** The Board shall have power to engage the services of an agent ("the Managing Agent") to manage, to the extent deemed advisable by the Board, the portions of the Property for which the Board is responsible. Every agreement for such management shall provide for the agreement’s being terminated by either party, for cause, upon thirty (30) days’ written notice; shall be for a term not to exceed one (1) year; and shall provide against the Managing Agent’s spending more than Ten Thousand Dollars ($10,000.00) (whether from the Maintenance Fund (the definition of which is set out in Article VI, below)
or from a reserve account) in respect of one transaction, without the approval of the Board.

(ii) The Board's Power and Duty to Hire, etc., Employees and to Make Purchases. The Board shall have the power and duty to provide for the designation, employment, and removal of employees and other personnel (including lawyers and accountants) and to engage or contract for their services and for the services of others; to make purchases for the maintenance, repair, replacement, administration, management, and operation of the Proper; and to delegate any of such powers to the Managing Agent (and to its own employees and to employees of the Managing Agent).

(iii) The Board's Power to Enter Units in Certain Cases. The Board shall have power (acting by any of its members or by any other agent) to enter any Unit when to do so shall be necessary in connection with any maintenance or construction for which the Board is responsible or shall be necessary to the making of such emergency repairs as may be required for the prevention of damage to the Common Areas or to any other Unit or Units. Further, the Board shall have power so to enter any Unit whenever an emergency shall require such an entry. To facilitate the Board's exercise of this power, every Unit Owner shall obey every reasonable regulation of the Board regarding the changing of locks, the leaving of keys at the offices of the Board, etc.

(iv) The Board's Power to Execute Agreements, etc. Subject to the provisions of Section 5.02(d)(vii)(B), above, the Board shall have power to execute all agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments, by such officer or officers (or such another agent or such other agents) of the Board, and in such manner, as from time to time shall be prescribed by formal resolution of the Board. In the absence of such a prescription by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board. Subject to the provisions of Section 5.02(d)(vii)(B), above, the Board shall have power to authorize the Managing Agent to execute documents specified by the Board, whenever, in the judgment of the Board, such an authorization will enable the Managing Agent better to perform its duties under its management agreement.

(v) The Board's Power to Adopt Rules and Regulations. The Board shall have power to adopt (by vote of not less than a majority of its incumbent members) such reasonable rules and regulations as are consistent with the provisions of Article VII, below (and all other relevant provisions of this Declaration), and as are, in the Board's judgment, desirable for the maintenance, conservation, and beautification of the Property, and for the health, comfort, safety, and general welfare of the Unit Owners and the Occupants. The Board shall have the power (as a necessary adjunct of its power to adopt such reasonable rules and regulations as are referred to in the immediately preceding sentence) to prescribe (by vote of not less than a majority of its incumbent members) and impose, assess, and collect reasonable fines for violations of such rules and regulations. Any fine so prescribed, imposed, and assessed, if it shall
not have been collected from the violator within a reasonable period of time, shall be charged to, and assessed against, the Unit Owner who shall own the Unit that shall have been occupied by the violator at the time of the violation, and the amount so charged and assessed shall be added to, and deemed part of, such Unit Owner’s share of the Common Expenses, and the Association shall have such a lien in respect of the amount so charged and assessed against the Unit Ownership and other property of such Unit Owner as is contemplated by Article IX, below. Subject to the provisions of Section 5.02(d)(vii)(B), above, the approval of the Unit Owners, the Association, the Members of the Association, or any of them, shall not be necessary to the effectiveness of any such rule or regulation so adopted, or to the collectibility of any such fine so prescribed, but the Board shall give appropriate written notice of its adoption of any such rule or regulation or its prescription of any such fine, and of every amendment of any such rule or regulation or prescription of a fine, to all Unit Owners.

(vi) The Board’s Power to Let Parts of the Common Areas. The Board shall have power, subject to the terms of this Declaration, to let, or to grant licenses or concessions or contracts with respect to, any part of the Common Areas, upon such terms as the Board deems appropriate, but this power shall be exercisable only if not less than a majority of the Board’s incumbent members shall have voted in favor of the lease, license, concession, or contract in question, and this power shall not include the power in the Board to conduct an active business for profit on behalf of the Unit Owners or any of them.

(vii) The Board’s Power to Purchase Units at Foreclosure, etc. Sales. The Board shall have the power to bid for and purchase any Unit (or interest therein) at any sale pursuant to a mortgage foreclosure, or at any sale pursuant to foreclosure of a lien for Common Expenses (for which lien provision is made in this Declaration and in the Act), or at any sale pursuant to an order or direction of a court, or at any other involuntary sale, but only if such purchase shall have received such an approval at a meeting of the Members of the Association as is specified in Section 5.02(d)(vii)(B)(3), above, and only if such purchase can be effected at a price not in excess of the maximum price that shall have been fixed at the meeting of the Members of the Association at which the purchase in question shall have been approved.

(viii) The Board’s Power and Duty to Make Certain Payments. Subject to the provisions of Section 4.04 and Section 4.06(b)(iii), above, the Board, acting for the benefit of all the Unit Owners, and drawing upon the Maintenance Fund, shall have the power and the duty to make payments in respect of the expenses, fees, costs, etc., that are defined in subparagraphs (A) through (F), below, of this paragraph (viii).

(A) Operating Expenses. Operating expenses attributable to the Common Areas, including the expenses of providing water, electricity, gas, telephone service, storm-water-and-sanitary-sewage removal service, and other necessary utility services to or for the Common Areas and (in respect of any of such services as are not separately metered to
the Units or separately charged to the respective Unit Owners) to or for the Units.

(B) **Fees for Services in Respect of Real Estate Taxes, etc.** The fees for services of any person employed to act on behalf of the Unit Owners in connection with real estate taxes and governmental assessments against the Units or in connection with any other matter in respect of which the interests of one Unit Owner are deemed by the Board to be similar and nondiverse to the interests of every other Unit Owner, which fees shall be Common Expenses.

(C) **Costs of Repairs, etc.** The cost of painting, cleaning, tuckpointing, maintaining, decorating, repairing, and replacing various parts of the Common Areas (other than the interior surfaces of the Units and perimeter doors appurtenant to the Units, and windows, window frames, and screens of the Units), as required, and the cost of obtaining such furnishings and equipment for the Common Areas as the Board shall determine to be necessary and proper.

(D) **Other Maintenance and Repair Costs.** The cost of any other material, supply, utility service, item of furniture, item of equipment, labor, service, maintenance, repair, or structural alteration that the Board is required to secure or pay for, pursuant to the terms of this Declaration, or that, in the opinion of the Board, is necessary or proper for the maintenance and operation of the Property as a first-class condominium development or for the enforcement of the restrictions applicable to the Property.

(E) **Costs of Discharging Liens.** Any amount necessary to discharge any mechanic's lien or other encumbrance levied against or imposed upon the entire Property or any part thereof that may, in the opinion of the Board, constitute a lien or an encumbrance upon the interests of all Unit Owners in the Property, or the affected part thereof (as distinguished from a lien or encumbrance that can properly encumber only the interest in the Common Areas of one or more, but less than all, of the Unit Owners). If one or more, but less than all, of the Unit Owners is or are responsible for the existence of such a lien or encumbrance, then that Unit Owner or those Unit Owners shall promptly cause the discharge of such lien or encumbrance (the duty to do so being a joint and several duty, if the lien shall have been created by more than one of the Unit Owners), and any costs incurred by the Board by reason of said lien or liens shall be specifically assessed to the Unit Owner or Unit Owners in respect of whom the lien or encumbrance in question shall have been created.

(F) **Cost of Maintaining or Repairing Unit Upon Unit Owner's Failure to Do So.** The cost of maintenance or repair of
any Unit, if such maintenance or repair is necessary, in the opinion of the Board, to protect the Common Areas, or any other portion of the Buildings, and if the Unit Owner of the Unit in question shall have failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such maintenance or repair shall have been delivered by the Board to such Unit Owner. The Board shall levy a special assessment against such Unit Owner for the cost of such maintenance or repair.

(ix) Other Powers. The Board shall have such other powers and such other duties as are appropriate, under the provisions of this Declaration and those of the Act, to its effective discharge of its expressed and implied duties in respect of the Property.

(i) Powers and Duties of the Board in Respect of Insurance. In addition to the powers and duties that are defined or referred to in subsection (h), above, of this Section 5.03, the Board shall have those powers and duties in respect to the provision and maintenance of insurance of, or related to, the Property as are defined in paragraphs (i) through (xi), below, of this subsection (i).

(i) Kinds of Insurance to be Obtained by the Board. The Board shall have the power and duty to obtain insurance for, and in respect of, the Property, as follows:

(A) Fire, etc. Insurance. Insurance on the Property, including the Units and the Common Areas, against loss or damage by fire and against loss or damage by risks now or hereafter embraced by standard extended coverage and vandalism and malicious mischief endorsements, in an amount sufficient to prevent the insured from being a co-insurer within the terms of the applicable policies, or in any event in an amount that is not less than one hundred percent (100%) of the full insurable replacement cost thereof. The "full insurable replacement cost" of the Property, including the Units and the Common Areas, shall be determined from time to time by the Board, whose determination shall be based upon appropriate insurance appraisals. Insurable replacement cost shall be deemed to be the cost of restoring the Common Areas, the Units, or any part or parts of the Common Areas or the Units to substantially the same condition as the condition in which they, or any damaged or destroyed part or parts thereof, existed prior to damage or destruction. The cost of any and all such appraisals shall be Common Expenses.

(B) Public Liability and Property Damage Insurance. Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by any person, occurring in, on, or about the Property or in, on, or about the streets and passageways and other areas adjoining the Property, which public liability and property damage insurance shall afford protection to such limits as the
Board shall deem desirable (but in no event shall the protection so afforded be less than One Million Dollars ($1,000,000.00) with respect to liability for personal injury or property damage arising out of a single accident).

(C) Workmen's Compensation Insurance. Such workmen's compensation insurance as may be necessary to comply with applicable laws.

(D) Employer's Liability Insurance. Employer's liability insurance in such amount as the Board shall deem desirable.

(E) Fidelity Bonds. A fidelity bond or fidelity bonds indemnifying the Association, the Board, and the Unit Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling the funds of the Association, the Board, or the Unit Owners, in such amount as the Board shall deem desirable.

(F) Other Insurance. Such other insurance (including insurance with respect to officers' and directors' liability) in such reasonable amounts as the Board shall deem desirable.

(ii) Premium Costs to be Common Expenses. The cost of premiums for the insurance that is described in paragraph (l), above, of this subsection (l) shall be Common Expenses.

(iii) Insurance to be Effectuated with Responsible Insurers. All insurance provided for in this subsection (l) shall be effectuated under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Indiana.

(iv) Special Provisions Respecting Content of Policies of Fire, etc., Insurance. All policies of insurance of the kind that is described in subparagraph (A) of paragraph (l), above, of this subsection (l) -

(A) shall name as insured the members of the Board, as trustees (or to the Board, as trustee) for the Unit Owners in the percentages specified in Exhibit A to this Declaration (as the interests of all such Insureds may appear);

(B) shall be without contribution as respects such other policies of such insurance as may be carried in their several names by the Unit Owners, whether, in any case, such other insurance covers the Unit of a particular Unit Owner or the additions and improvements made by such Unit Owner to his Unit or both;

(C) shall provide that, notwithstanding any provision thereof that gives the insurer an election or option to restore damage in lieu of making a cash settlement therefor, such election or option shall not be exercisable by the insurer if the Unit
Owners shall elect to sell the Property or to remove the
Property from the provisions of the Act; and

(D) shall contain such an endorsement as shall insure
that none of such policies shall be terminated for nonpayment
of premiums without at least ten (10) days' prior written notice
to the Board and to each mortgagee of a Unit.

Every policy of insurance of the kind that is described in
subparagraph (A) of paragraph (I), above, of this subsection (I) may contain
an endorsement extending coverage so as to include the payment of
Common Expenses with respect to damaged Units during the period of
reconstruction thereof. Notwithstanding the issuance of standard
mortgage clause endorsements under the policies of insurance of the kind
that is described in subparagraph (A) of paragraph (I), above, of this
subsection (I), every loss under such policies shall be payable, and all
insurance proceeds recovered thereunder shall be applied and disbursed, in
accordance with the provisions of this Declaration.

(v) Special Provisions Respecting Content of Policies of Insurance
Other than Policies of Fire Insurance. All policies of insurance of the kinds
that are described in subparagraphs (B), (D), (E), and (F) of paragraph (I),
above, of this subsection (I) shall name as insureds every person who owns a
then present legal interest in the fee simple title to a Unit, the
Association, the Board, the Managing Agent, the employees and other
agents of the Association and the Board, and the agents and employees of
the Managing Agent. In addition, all policies of insurance of the kind that
is described in subparagraph (B) of paragraph (I), above, of this subsec-
tion (I) shall contain an endorsement or clause whereby the insurer waives
any right to be subrogated to any right or claim against the Association,
any officer of the Association, any member of the Board, the Managing
Agent, any employee or agent of the Association or the Board or the
Managing Agent, any person who owns a then present legal interest in the
fee simple title to a Unit, and every Occupant, and all such policies shall
cover claims of one or more of the insured parties against another or
others of the insured parties.

(vi) Board's Duty to Make Prompt Payment of Premiums. The
Board, for the benefit of the Association and every Unit Owner and every
mortgagee of a Unit, shall pay the premiums on every policy of insurance
that is described in paragraph (I), above, of this subsection (I) at least
thirty (30) days prior to the expiration date of the policy in question and
shall notify each mortgagee of a Unit of such payment within ten (10) days
after the date on which such payment shall have been made.

(vii) Payment of Losses Under Policies of Fire, etc., Insurance.
Every loss that becomes payable under any policy of insurance of the kind
that is described in subparagraph (A) of paragraph (I), above, of this
subsection (I) shall be payable, and the insurance proceeds paid on account
of any such loss shall be paid, to the members of the Board, as trustees (or
to the Board, as trustee) for each of the Unit Owners in the Unit Owner's
respective percentage of ownership in the Common Areas, as specified in
Exhibit A to this Declaration, which insurance proceeds (less the actual costs, fees, and expenses, if any, incurred in connection with the adjustment of the loss (but subject to the provisions of this Declaration concerning the Unit Owners’ power to remove the Property from the provisions of the Act, etc., in the event of destruction of the Property)) shall be applied to the payment of the cost of restoring the Property to substantially the same condition as the condition in which it existed immediately prior to such damage or destruction, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before, free from any mechanic’s, material man’s, or other similar lien.

(viii) Unit Owner’s Responsibility for Insurance of Contents of Unit. Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit, the furnishings and personal property therein, the personal property of the Unit Owner that is stored elsewhere on the Property, and the Unit Owner’s personal liability (to the extent that such personal liability is not covered by the policies of liability insurance obtained by the Board for the benefit of all of the Unit Owners). Every policy of casualty insurance carried by a Unit Owner shall be without contribution as respects those policies of casualty insurance that are to be obtained by the Board for the benefit of all of the Unit Owners and are described in sub-paragraph (A) of paragraph (l), above, of this subsection (l) and in paragraph (iv), above, of this subsection (l).

(ix) Unit Owner’s Duty to Make Reports of Additions, etc., to Unit. Each Unit Owner shall make a prompt written report to the Board of every addition or alteration to, or improvement of, his Unit, without prior request from the Board or the Managing Agent for such a report, and shall reimburse the Board for any additional insurance premiums attributable thereto. Any Unit Owner who shall fail to make such a report to the Board shall be responsible for any deficiency in any insurance loss recovery that results from such failure. The Board shall not be responsible for obtaining insurance on any such addition, alteration, or improvement unless and until the Unit Owner whose Unit shall have been affected shall have made such a report to the Board and shall have made a written request to the Board for the Board’s obtaining such insurance and shall have made arrangements satisfactory to the Board for the payment of any additional premiums attributable to the addition, alteration, or improvement. In any case in which a Unit Owner shall have made such an addition, alteration, or improvement and shall have failed to make such an arrangement for the payment of any additional premium, the Board shall not be obligated to apply any insurance proceeds to the restoration of the affected Unit to a condition better than the condition in which the affected Unit was prior to the making of such addition, alteration, or improvement. For the purpose of this paragraph (xi), the term “addition” or “alteration” shall mean property attached to the Unit and not readily removable therefrom without damage to the Unit, including (but not limited to) carpeting, special floor covering, and special wall covering. This paragraph has no applicability in respect of personal property owned by the Unit Owner and not attached to the Unit.
(x) Unit Owner's Waiver of Rights Against Other Unit Owners, etc., In Respect of Losses Covered by Insurance. Each Unit Owner hereby waives and releases any and all rights and claims that he may now or hereafter have against any other Unit Owner or other Unit Owners, the Association, every officer of the Association, every member of the Board, the Managing Agent, and every employee or other agent of the Association or the Board or the Managing Agent, for any damage to the Common Areas, the Units, or to any personal property situated in any Unit or the Common Areas, which damage is caused by fire or other casualty, but such waiver and release shall operate only to the extent that such damage is covered by fire insurance or another form of casualty insurance.

(xi) Board's Duty to Give Notice of Cancellation, etc., of Certain Insurance. The Board shall be responsible, in the event that any insurance required under subparagraph (A) or (B) of paragraph (I), above, of this subsection (I) is cancelled, for giving notice of such cancellation to every person insured thereunder. In addition, the Board shall give written notice of the procurement of any insurance obtained by the Board, and of any subsequent changes in the coverage, to every person insured thereunder.

(i) Limitations of Liability of and Indemnification of the Members of the Board. Neither any member of the Board nor any of the officers of the Association shall be liable to the Unit Owners for any mistake of judgment or for any other act or omission of any nature whatsoever as such Board member or officer, except any act or omission found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the members of the Board and each of the officers of the Association against and from all contractual and other liabilities to others arising out of contracts made by, or other acts of, the Board and officers of the Association on behalf of the Unit Owners or arising out of their status as Board members or officers, unless the contract in question shall have been made, or any such act shall have been done, fraudulently or with gross negligence (which latter term (viz., "gross negligence") shall, for the purposes of this subsection (i), include (but not be limited to) gross disregard of the provisions of this Declaration). The foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, attorneys' fees, amounts of judgments paid, and amounts paid in settlements) reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or of some other kind, in which any person may be involved by reason of such person's being or having been a member of the Board or an officer of the Association. Nevertheless, the indemnification provided for by this subsection (i) shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit, or proceeding to be liable for gross negligence or fraud in the performance of his duties as such member or officer, or (ii) any matter that is settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person's being adjudged liable for gross negligence or fraud in the performance of his duties as such member or officer. The liability of any Unit Owner arising out of any contract made by, or any other act done by, the Board or officers of the Association, or out of the above-described indemnity in favor of the members of the Board and officers of the Association, shall be limited to such proportion of the total liability thereunder as the Unit Owner's percentage of interest in the Common Areas bears to the total percentage interest of all Unit Owners in the Common Areas. Every agreement made by the Board or by the
Managing Agent on behalf of the Association shall provide that, members of or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Areas bears to the total percentage interest of all Unit Owners in the Common Areas.

ARTICLE VI

Budgets and Assessments

6.01. The Budget-Preparation Process. The process by which the budget for the operation of the Common Areas for each year is to be established is defined in subsections (a) through (g), below, of this Section 6.01.

(a) Preparation of the Estimated Budget: Notice of the Estimated Budget. On or before the first day of November in each year, the Board shall estimate the total amount of money that will be needed to pay the Common Expenses for the ensuing calendar year (including such amounts as, in the judgment of the Board (which shall be exercised in accordance with the provisions of subsection (d), below, of this Section 6.01), should be added to reserves for contingencies and replacements, and from that amount the Board shall deduct the net income to be expected from the operation of the Common Areas during such ensuing calendar year. (That part of the budget for any year that is intended for use in meeting expenses other than the expenses of creating, or adding to, reserves for contingencies and replacements, is referred to throughout this Declaration as "the Maintenance Fund.") The estimates of expenses and income to which the first sentence of this subsection (a) refers (which are hereinafter referred to as "the Estimated Budget") shall be reported by the Board to each Unit Owner in a written notice that shall be given on or before the 15th day of November next following the Board's determination of the Estimated Budget and shall show, in reasonable detail, the items of expense and income that constitute the Estimated Budget and shall also show the amount that would be assessed against each Unit Owner, in the ensuing calendar year, to fund the payment of any excess of expenses over income that is shown by the Estimated Budget.

(b) Objections to the Estimated Budget: Meeting of Members of the Association to Consider Objections to the Estimated Budget. Unit Owners shall have the right and power to object to any Estimated Budget. The procedure applicable to the making of such objections is defined in paragraphs (i) and (ii), below, of this subsection (b).

(i) Objections to the Estimated Budget. During the period in each calendar year that will begin on the 15th day of November and will end on the 27th of November ("the Objection Period"), every Unit Owner shall have the right and power to object to the Estimated Budget for the ensuing calendar year by filing a written notice of such objection (which notice shall include a reasonably detailed statement of the objection, and shall be signed by the Voting Member for the Unit) in a place that is reasonably
accessible to all the Unit Owners, which place shall be designated by the Board in the notice to which subsection (a), above, of this Section 6.01 refers.

(ii) Meeting of Members of the Association to Consider Objections to the Estimated Budget: If, prior to the expiration of any Objection Period, written objections to the Estimated Budget for the ensuing calendar year shall have been filed by Unit Owners (through Voting Members) whose Unit Votes shall have a total value equal to or in excess of .51, then, 2nd in that event, it shall be the duty of the Board to call a special meeting of the Members of the Association (to which the provisions of Section 5.02, above, shall apply), to be held on or before the 15th day of December next following the expiration of the Immediately-preceding Objection Period. At that special meeting, no business shall be transacted except the consideration of the Estimated Budget for the ensuing calendar year, and no action shall be taken at and by that meeting except such action as will result in an expression of the Members' approval of that Estimated Budget, or the Members' disapproval of that Estimated Budget, or the Members' indifference in respect of that Estimated Budget.

(c) Adoption of the Final Budget: The procedure by which the Board shall complete its adoption of a budget for any calendar year is defined in paragraphs (i) and (ii) of this subsection (c).

(i) Subject to the provisions of paragraph (ii), below, of this subsection (c), it shall be the duty of the Board to meet, promptly after the adjournment of the special meeting of the Members of the Association to which paragraph (ii), above, of subsection (b) of this Section 6.01 refers (and, at all events, on or before the end of the calendar year in which such special meeting shall have been held), and to adopt, as the budget for meeting the Common Expenses for the ensuing calendar year ("the Final Budget"), either the Estimated Budget or the Estimated Budget as the Board shall have revised it.

(ii) If, at the end of the Objection Period, objections to the Estimated Budget shall not have been filed by Unit Owners whose Unit Votes shall have a total value equal to or in excess of .51, then, and in that event, the Estimated Budget shall become, at the end of the Objection Period, the Final Budget for the ensuing calendar year.

(d) Reserves for Contingencies and Replacements: In the budget-preparation process, the Board shall take care to establish, augment as necessary, and maintain, such a reserve, or such reserves, for contingencies and replacements as is, or are, reasonable in the light of those generally-accepted accounting principles that are applicable to such a condominium community, subject to the Act, as is the Property. The moneys constituting that reserve, or those reserves, shall be segregated from the moneys constituting the Maintenance Fund and the other moneys belonging to the Association, and shall be kept in an interest-bearing account, or in interest-bearing accounts, in a bank or banks, or a savings and loan association or savings and loan associations, authorized to do business in Marion County, Indiana.
(e) **Supplemental Budget.** Extraordinary expenditures that shall not have been taken into account in the Final Budget, but which must be incurred, shall be charged first against such portion of any appropriate contingency and replacement reserve account as remain unallocated. If, after any such expenditure shall have been so charged, the Final Budget shall for any reason prove to be deficient or inadequate in respect of meeting the Common Expenses for the calendar year for which it shall have been adopted, then, and in that event, the Board may prepare and approve a supplemental budget covering the estimated deficiency or inadequacy ("the Supplemental Budget"). Those provisions of subsections (a), (b), and (c), above, of this Section 6.01 that define the process by which the Final Budget is adopted shall apply, mutatis mutandis, to the Board's final adoption of the Supplemental Budget, to the end that no Supplemental Budget shall be finally adopted by the Board until the Unit Owners shall have been notified of the Board's having tentatively adopted the Supplemental Budget and shall have had a chance to object to it. Upon the Board's final adoption of a Supplemental Budget, a separate assessment shall be made against each Unit Owner for his proportionate share of such finally-adopted Supplemental Budget.

(f) **Failure to Adopt Annual Budget.** The failure or delay of the Board to adopt a Final Budget (or, when needed, a Supplemental Budget) in accordance with the foregoing provisions of this Section 6.01 shall not constitute a waiver or release in respect of any Unit Owner's obligation to pay such Unit Owner's share of the Common Expenses for the calendar year with respect to which the Board shall have failed to adopt, or shall have delayed in adopting, the Final Budget (or, when needed, a Supplemental Budget), whenever the amount of such share shall have been determined. With respect to any calendar year for which the Board shall have failed to adopt, or shall have delayed in adopting, a Final Budget (or, when needed, a Supplemental Budget), each Unit Owner shall continue to pay the monthly maintenance charge (i.e., the monthly assessment), at the monthly rate last established by the Board, until the Board shall have adopted the Final Budget, or the Supplemental Budget, that is appropriate to the year in question, whereupon each Unit Owner shall become obligated to pay the monthly maintenance charge (i.e., the monthly assessment) at the monthly rate newly established by the Board.

(g) **Annual Reports of Financial Operations; Adjustments to Current Year's Budget.** On or before the first day of April in each calendar year, the Board shall deliver to each Unit Owner an itemized accounting of the financial operations of the Association for the Immediately preceding calendar year, which accounting shall be prepared by a certified public accountant in accordance with generally-accepted accounting principles, consistently applied (within the calendar year in question and from calendar year to calendar year) and shall show, in reasonable detail, the amounts of the Common Expenses for such preceding calendar year, and the amounts that shall have been received, in or for such calendar year, for use in the payment of such Common Expenses. When any such accounting shall show, for the year in question, either that Common Expenses substantially exceeded the moneys available for payment of the Common Expenses, or that the moneys available for payment of the Common Expenses substantially exceeded the Common Expenses, then, in either of such events, it shall be the duty of the Board (which shall be discharged promptly after the Board's receipt of such accounting), to take such action in respect of the overage or shortage disclosed by such accounting as is, in the Board's judgment, appropriate, which action may consist of (but shall not be limited to) reducing the amounts of
monthly assessments for the then current calendar year, increasing the balances of existing reserves, causing the adoption of a Supplemental Budget, etc.

6.02. Liability of Unit Owner for Payment of Assessments. On the first day of each month in each calendar year, each Unit Owner shall pay the amount assessed against the Unit Owner (in consequence of the budget-preparation process that is described in Section 6.01, above) for that month. The liability for each such payment shall be a personal liability of the Unit Owner, and, in every case in which a Unit is owned by two or more legally-cognizable entities, that liability shall be joint and several. Any failure by a Unit Owner to pay any installment of such an assessment shall give rise to a right in the Association to pursue the remedies that are defined in Section 9.03, below. A Unit Owner may not avoid or diminish or otherwise affect the Unit Owner’s liability for any such assessment as is provided for in this Article VI by refraining from using the Common Areas, by limiting the Unit Owner’s use of the Common Areas, or by abandoning the Unit Owner’s Unit.

6.03. Books and Records. The Board shall keep full and accurate books of account showing, in chronological order (and in accordance with generally-accepted accounting principles, which shall be consistently applied), the receipts and expenditures affecting the Common Areas. Those books and records shall be available for inspection at an office of the Association, or elsewhere, by any Unit Owner or any holder of a first mortgage lien on a Unit Ownership, upon reasonable notice, at any reasonable time.

6.04. Status of Collected Funds. All funds collected pursuant to the provisions of this Article VI (or pursuant to any other provision of this Declaration) shall be held and expended for the purposes designated herein, and (except such special assessments as may be levied hereunder against less than all the Unit Owners, and except such adjustments as may be required to reflect delinquent or prepaid assessments or user charges) shall be deemed to be held for the benefit, use, and account of all the Unit Owners, each of whom shall have a proportionate interest therein that corresponds with his proportionate ownership of the Common Areas, as shown in Exhibit A to this Declaration.

ARTICLE VII

Covenants and Restrictions
as to Use, Occupancy,
and Disposition of Units

7.01. Use and Occupancy. The Property shall be occupied and used in accordance with, and subject to, the provisions of subsections (a) through (q), below, of this Section 7.01.

(a) Residential Use. Each Unit (or any two or more adjoining Units that are used together) shall be used for single-family housing and the related purposes for which each Unit that is included in the Property was designed and for no other purpose.
(b) **Common Areas Not to be Obstructed, etc.** The provisions of paragraphs (i) and (ii), below, of this subsection (b) apply to the use of the Common Areas by the Unit Owners and the Occupants.

(i) Subject to the provisions of paragraph (ii), below, of this subsection (b) (and with such other exceptions as are elsewhere in this Declaration provided for), the Common Areas shall not be obstructed, nor shall anything be stored in the Common Areas (except in areas designed and intended for use as storage areas), without the prior consent of the Board.

(ii) That part of the Common Areas separating any two or more adjoining Units that are owned by the same Unit Owner may be so altered or removed as to afford access from any of such adjoining Units to any other of such adjoining Units, but only if (A) such alteration or removal will not impair or weaken the structural integrity of any Unit or any part of the Common Areas; (B) the Unit Owner who contemplates the making of such alterations furnishes to the Board, not less than ten (10) days prior to the date on which such Unit Owner desires to commence such work, detailed plans for the work to be done; (C) the Board consents to the performance of such work; (D) such Unit Owner agrees to pay in full, and does pay in full, all the expenses of such alteration; and (E) such Unit Owner agrees to pay in full the expense of restoring the affected part of the Common Areas to the condition in which it was prior to such alterations if and when such adjoining Units are no longer used together.

(c) **Unit Owner's Duty to Maintain and Repair His Unit.** Each Unit Owner shall be obligated to maintain his own Unit and to keep it in good order and repair.

(d) **Unit Owner's Duties in Respect of Acts Increasing Insurance Costs.** Nothing shall be done, nor shall anything be kept, in any Unit or in the Common Areas that will increase the rate of insurance on the Buildings or contents thereof, unless the prior written consent of the Board to the act in question shall have been obtained. No Unit Owner or Occupant shall permit the doing of any act, or the keeping of any thing, in the Unit Owner's Unit or the Unit occupied by the Occupant, or in the Common Areas, that will result in the cancellation of insurance on the Buildings, or contents thereof, or that would violate any law.

(e) **Preservation of Common Areas.** No waste shall be committed in the Common Areas.

(f) **Signs, Awnings, etc.** Unless the appropriate prior consent of the Board shall have been obtained, no Unit Owner or Occupant shall cause or permit the placement of anything on the outside wall of any of the Buildings, nor shall any Unit Owner or Occupant affix or place, or permit the affixing or placing of, any sign, awning, canopy, shutter, or radio or television antenna to or on the exterior wall or roof of any part of any of the Buildings.

(g) **Enclosure of Parts of Buildings.** Unless the appropriate prior consent of the Board shall have been obtained, no Unit Owner or Occupant shall cause or
permit the enclosure (either partially or entirely) of any exterior part of any of the Buildings.

(h) **Floor Coverings.** In order that the sound-conditioning of all the Buildings may be maintained or improved, no floor covering shall be installed or used in any occupied Unit except a floor covering that shall have met such a minimum standard as shall have been established by rules and regulations of the Board. This subsection shall apply to every Unit, notwithstanding the provision of Section 4.05(b)(ii), above, that purports to define an exception with respect to any Unit that contains more than one (1) storey.

(i) **Animals.** Dogs, cats, and other usual household pets may be kept in Units, subject to rules and regulations adopted by the Board, if they are not kept for any commercial purpose. If any such pet animal shall cause or create a nuisance or unreasonable disturbance, the offending animal shall be permanently removed from the Property upon three (3) days' notice from the Board to the Unit Owner or Occupant who shall be harboring the offending animal. The Board may designate any part of the Common Areas as a part to which pets may not be given access, and may designate other portions of the Common Areas for the accommodation of the reasonable requirements of Unit Owners or Occupants who keep animals.

(j) **Noxious or Offensive Activities; Nuisances.** No noxious or offensive activity shall be carried on in any Unit or in or on any part of the Common Areas, nor shall anything be done therein or thereon, either willfully or negligently, that may be or become an annoyance or nuisance to Unit Owners or Occupants.

(k) **Preservation of Structural Integrity of Buildings; etc.** Unless an exception to be found in this Declaration shall be applicable, nothing shall be done in any Unit (or in, on, or to the Common Areas) that will impair the structural integrity of, or structurally change, any of the Buildings. No Unit Owner or Occupant shall overload the electric wiring in any of the Buildings, or operate machines, appliances, accessories, or equipment in such a manner as to cause, in the judgment of the Board, an unreasonable disturbance to others. No Unit Owner or Occupant shall overload the floors of any Unit. The use in any Unit of waterbeds and similar furnishings and equipment that may cause floor overloads shall be subject to Board approval.

(l) **Hanging of Laundry in Common Areas; etc.** No clothes, sheets, blankets, laundry, or other articles shall be hung or exposed on any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris, and other unsightly materials.

(m) **Baby Carriages, Bicycles, etc., in Common Areas.** There shall be no parking of baby carriages, bicycles, wagons, or other such vehicles in or on any part of the Common Areas, nor shall any part of the Common Areas be used for playing or lounging. Notwithstanding the apparent import of the preceding sentence, the Board shall have the power to establish reasonable rules and regulations pursuant to which (I) baby carriages, bicycles, and other personal property may be stored in those parts of the Common Areas that shall be designated for storage purposes, and (II) all amenity and service areas may be used for their intended purposes.

(n) **Businesses, etc., not to be Conducted in any Unit.** No industry, business, trade, occupation, or profession of any kind (without regard to its character
as a commercial, religious, educational, altruistic, or other enterprise) shall be
conducted, maintained, or permitted in any Unit. Nevertheless, neither the provisions
of this subsection (n) nor those of "subsection (e), above, of this Section 7.01 shall be
construed as prohibiting a Unit Owner or Occupant from (i) maintaining his personal
professional library in his Unit; (ii) keeping his personal business or professional
records or accounts in his Unit; or (iii) receiving in, or initiating from, his Unit such
telephone calls and correspondence as are incidental to the Unit Owner's or Occupant's
personal business or profession. Such uses will be regarded as customarily incident to
the principal residential use of any Unit.

(o) "For Sale" Signs. No "For Sale" or "For Rent" sign or any advertising
display or other display shall be maintained or permitted on any part of the Property.

(p) Letting of Units to Tenants. A Unit Owner shall not let his Unit for
transient occupancy, or otherwise than as an entirety. Any lease for less than one (1)
month shall be deemed to be a lease for transient occupancy. Every lease of a Unit
shall be in writing and shall expressly provide that the lease is subject to all the
applicable provisions of this Declaration and that any failure by the lessee to comply
with any of those provisions will be a default under the lease.

(q) Other Rules of Use and Occupancy. The Board may, from time to
time, promulgate other rules and regulations concerning the use and occupancy of the
Property, in the exercise of the power of the Board that is defined in
Section 5.03(h)(v), above.
STATE OF INDIANA )
COUNTY OF MARION ) SS:

AFFIDAVIT OF MAILING
OF NOTICE TO FIRST MORTGAGORS

Mildred S. Compton, being first duly sworn, on her oath makes the statements that follow:

1. The affiant is, and at all times having relevance to the matters with which this Affidavit deals was, the Secretary of The Knoll Condominium Association, Inc. ("the Association").

2. On the 27th day of June, 1984, the affiant, acting in her capacity as Secretary of the Association, caused a certain written notice (a copy of which, marked "Attachment No. 1," is attached to, and is by this reference made a part of and incorporated in, this Affidavit) to be mailed by United States certified mail to every person, firm, or corporation believed by the affiant (after diligent inquiry) to be the holder of a first mortgage encumbering any parcel of real estate lying within the boundaries of the property that is commonly known as "The Knoll," in Marion County, Indiana, which property was submitted to the provisions of the Indiana Horizontal Property Law as an effect of the execution by the then owner of said property of an instrument entitled "Declaration of Horizontal Property Regime, etc.," which was recorded on
July 30, 1979, as Instrument No. 79-55147 in the office of
the Recorder of Marion County, Indiana.

3. The statements contained in this Affidavit are
made by the affiant to the best of her information and
belief.

\[\text{Signature of Affiant: Mildred S. Compton}\]

Subscribed and sworn to before me, a Notary Public
in and for the State of Indiana, on this 3rd day of July,
1984.

Witness my hand and Notarial Seal.

\[\text{Signature of Notary Public:} \quad \text{June 17, 1984}\]

This instrument was prepared by E. Clay Ulen.
NOTICE OF AMENDMENT OF
DECLARATION OF HORIZONTAL PROPERTY REGIME

As the holder of a first mortgage encumbering a
Unit or Units constituting a part or parts of the real
property that is commonly known as "The Knoll" (in Marion
County, Indiana) and was submitted to the provisions of
Indiana Code 32-1-6 (which bears the short title "[the] Horizontal Property Law" and is hereinafter so referred to)
as an effect of the execution by the then owner of said real
property of an instrument entitled "Declaration of Horizontal Property Regime and of Easements, Restrictions, Covenants[,] and By-Laws for The Knoll Condominium Association [(A Not-
for-Profit Corporation[])]," which was recorded on July 30, 1979, as Instrument No. 79-55147 in the office of the
Recorder of Marion County, Indiana, and is hereinafter referred to as "the Declaration," you are hereby notified,
by the Secretary ("the Secretary") of The Knoll Condominium Association, Inc. ("the Association"), as follows:

1. In accordance with all the applicable provisions of the Declaration and the Horizontal Property Law, the requisite number of the voting members of the Association effected, as of May 6, 1984, changes and modifications in Articles V, VI, and VII of the Declaration. Those changes and modifications are set out in a writing that comprises the entirety of the new text of Articles V, VI, and VII of the Declaration and is hereinafter referred to as "the Amendment."

Attachment No. 1
2. With reasonable promptness after having mailed this notice, the Secretary will cause a copy of the Amendment to be recorded in the office of the Recorder of Marion County, Indiana.

3. A copy of the Amendment will be mailed or delivered to you upon your written request therefor, which should be directed to Mrs. Mildred S. Compton, Secretary of The Knoll Condominium Association, Inc., 2129A Rome Drive, Indianapolis, Indiana 46208, and should be accompanied by a check for Six Dollars ($6.00), made payable to the order of the Association, to cover the cost of preparing, mailing, and handling your copy of the Amendment.

IN WITNESS WHEREOF, I have signed this Notice on this 17th day of June, 1984.

[Signature]
Mildred S. Compton, Secretary of The Knoll Condominium Association, Inc.