CROSS REFERENCE

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DECLARATION OF HORIZONTAL
PROPERTY OWNERSHIP
FOR
NEWPORT BAY
HORIZONTAL PROPERTY REGIME

APPROVED 9-25-84
WASHINGTON TOWNSHIP ASSESSOR
by. Jeanne E. Real Estate Division
# DECLARATION OF HORIZONTAL PROPERTY OWNERSHIP

FOR

NEWPORT BAY

HORIZONTAL PROPERTY REGIME

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Recitals</td>
<td>1</td>
</tr>
<tr>
<td>1. Definitions</td>
<td>1</td>
</tr>
<tr>
<td>2. Declaration</td>
<td>4</td>
</tr>
<tr>
<td>3. Description of Building</td>
<td>5</td>
</tr>
<tr>
<td>4. Legal Description</td>
<td>5</td>
</tr>
<tr>
<td>5. Description of Condominium Units</td>
<td>6</td>
</tr>
<tr>
<td>6. Common Area and Facilities</td>
<td>6</td>
</tr>
<tr>
<td>7. Limited Areas and Facilities</td>
<td>7</td>
</tr>
<tr>
<td>8. Ownership of Common Areas and Percentage Interest</td>
<td>7</td>
</tr>
<tr>
<td>9. Encroachments and Easements for Common Areas</td>
<td>8</td>
</tr>
<tr>
<td>10. Casualty and Restoration</td>
<td>8</td>
</tr>
<tr>
<td>11. Condemnation</td>
<td>9</td>
</tr>
<tr>
<td>12. Association of Owners</td>
<td>12</td>
</tr>
<tr>
<td>13. Covenants and Restrictions</td>
<td>12</td>
</tr>
<tr>
<td>14. Amendment of Declaration</td>
<td>13</td>
</tr>
<tr>
<td>15. Acceptance and Ratification</td>
<td>15</td>
</tr>
<tr>
<td>16. Expandable Condominium and Declarant's Reserved Rights</td>
<td>16</td>
</tr>
<tr>
<td>17. Granting of Rights to the Use of the Common Areas</td>
<td>20</td>
</tr>
<tr>
<td>18. Reservation of Rights to the Use of the Common Areas</td>
<td>20</td>
</tr>
<tr>
<td>19. Initial Management</td>
<td>21</td>
</tr>
<tr>
<td>20. Assessments and Limitation on Declarant's Liability for Assessments</td>
<td>22</td>
</tr>
<tr>
<td>21. Sale, Lease or Other Transfer of Condominium Unit by Owners</td>
<td>22</td>
</tr>
<tr>
<td>22. Right to Combine Units</td>
<td>23</td>
</tr>
<tr>
<td>23. Right of Action</td>
<td>23</td>
</tr>
<tr>
<td>24. Costs and Attorneys' Fees</td>
<td>23</td>
</tr>
<tr>
<td>25. Waiver</td>
<td>23</td>
</tr>
<tr>
<td>26. Severability Clause</td>
<td>24</td>
</tr>
<tr>
<td>27. Pronouns</td>
<td>24</td>
</tr>
<tr>
<td>28. Floor Plans</td>
<td>24</td>
</tr>
<tr>
<td>29. Exculpation</td>
<td>24</td>
</tr>
<tr>
<td>Consent of Mortgagee</td>
<td>24</td>
</tr>
</tbody>
</table>

Exhibit A - Legal Description of the Real Estate
Exhibit B - Legal Description of the Tract
Exhibit C - Description of Building and Condominium Units
Exhibit D - Description of Percentage Interests of Condominium Units

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DECLARATION OF HORIZONTAL
PROPERTY OWNERSHIP

Newport Bay
Horizontal Property Regime

This Declaration, made this 24 day of FEBRUARY, 1980, by Bay Development Corporation, an Indiana corporation, (the "Declarant"),

Be It Declared That:

A. Whereas, Declarant is the sole owner of the fee simple title to the real estate located in Marion County, Indiana, more particularly described in Exhibit A attached hereto and incorporated herein (the "Real Estate"); and,

B. Whereas, Declarant is the sole owner of the fee simple title to that portion of the Real Estate more particularly described in Exhibit B, attached hereto and incorporated herein (the "Tract"); which shall be the first phase of development of the expandable condominium project described herein; and,

C. Whereas, Declarant, by execution of this Declaration, desires to create a Horizontal Property Regime upon the Tract, subject to the provisions of the Horizontal Property Law of the State of Indiana and the terms and conditions of this Declaration.

NOW, THEREFORE, Declarant hereby makes this Declaration:

1. Definitions. The following terms, as used in this Declaration, unless the context clearly requires otherwise, shall mean the following:

(a) "Act" means the Horizontal Property Law of the State of Indiana, Acts 1963, Chapter 349, Sections 1 through 31, as amended. The Act is incorporated herein by reference.

(b) "Applicable Date" means the earliest of (i) ten (10) years from date of recording hereof; or, (ii) four (4) months after ninety percent (90%) of the Condominium Units that may be developed on the Real Estate have been conveyed to purchasers, or (iii) the date Declarant files of record in the office of the Recorder of Marion County, Indiana, an instrument waiving and releasing its reserved rights as set forth in Paragraph 16 of this Declaration, to expand or further expand Newport Bay.

(c) "Association" means Newport Bay Owners Association, Inc., an Indiana not-for-profit corporation, being the association of Co-owners of Newport Bay more particularly
(d) "Board of Directors" or "Board" means the governing body of the Association, being the initial Board of Directors referred to in the By-Laws or subsequent Board of Directors elected by the Co-owners in accordance with the By-Laws.

(e) "Building" means any structure on the Tract in which one or more Condominium Units are located, including any additional structure containing one or more Condominium Units which may be submitted and subjected to the Act and this Declaration by Supplemental Declarations as herein provided. The Initial Building is more particularly described and identified on the Plans and in Paragraph 3 of this Declaration and any additional Buildings will be identified in Supplemental Declarations and on plans that will be filed therewith.

(f) "By-Laws" means the By-Laws of the Association providing for the administration and management of the Property, a true copy of which is attached to this Declaration and incorporated herein by reference.

(g) "Constitutional Majority" means those Owners eligible to cast not less than sixty-seven percent (67%) of the aggregate of the Percentage Vote eligible to be cast by the Co-owners.

(h) "Common Areas" means the common areas and facilities defined in Paragraph 6 of this Declaration.

(i) "Common Expenses" means expenses of administration of the Association and expenses for the upkeep, maintenance, repair and replacement of the Common Areas and Limited Areas (to the extent provided herein) and all sums lawfully assessed against the Owners by the Association or as declared by the Act, this Declaration or the By-Laws.

(j) "Condominium Unit" means each one of the living units constituting Newport Bay, each individual living unit being more particularly described and identified on the Plans and in Paragraphs 4 and 5 of this Declaration, and each additional living unit that may be submitted and subjected to the Act and this Declaration by Supplemental Declarations as herein provided, together with the undivided interest in the Common Areas and Limited Areas appertaining to each such unit.

(k) "Co-owners" means the Owners of all the Condominium Units.

(l) "Declarant" means Bay Development Corporation, an
Indiana corporation, and any successors and assigns of it whom it designates in one or more written recorded instruments to have the rights of Declarant hereunder, including, but not limited to, any mortgagee acquiring title to any portion of the Property pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant.

(n) "Insurance Trustee" means such bank with trust powers authorized to do business in Marion County, Indiana, as the Board of Directors may designate for the custody and disposition, as herein or in the By-Laws provided, of insurance proceeds and condemnation awards.

(n) "Limited Areas" means the limited common areas and facilities defined in Paragraph 7 of this Declaration.

(o) "Majority of Mortgagees" means those Mortgagees who hold first mortgages on Condominium Units to which are allocated at least seventy-five percent (75%) of the Percentage Vote allocated to Mortgaged Units.

(p) "Majority of Owners" and "Majority of the Percentage Vote" means the Owners entitled to cast more than fifty percent (50%) of the Percentage Votes in accordance with the applicable percentages set forth in this Declaration.

(q) "Mortgaged Unit" means a Condominium Unit that is subject to the lien of a mortgage held, insured or guaranteed by a Mortgagee.

(r) "Mortgagee" means the holder, insurer or guarantor of a first mortgage lien on a Condominium Unit who has requested notice in accordance with the provisions of Section 12.01 of the By-Laws.

(a) "Newport Bay" means the name by which the Property and Regime shall be known.

(t) "Owner" means a Person who or which owns the fee simple title to a Condominium Unit.

(u) "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas and Limited Areas appertaining to each Condominium Unit as specifically expressed in Paragraph 4 and 8 of this Declaration.

(v) "Percentage Vote" means that percentage of the total vote accruing to all of the Condominium Units which is appurtenant to each particular Condominium Unit and accrues to the Owner thereof.
(w) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(x) "Plans" means (i) the floor and building plans and elevations of the initial Building and Condominium Units located on the Tract prepared and certified by HOWARD WOLNER, a licensed professional architect, under date of FEBRUARY 23, 1986, and (ii) a site plan of the Tract and Buildings prepared by W.W.M. ENGINEERS INC. and certified by ALLAN H. YOBNE, a registered land surveyor, under date of FEBRUARY 23, 1986, all of which are incorporated herein by reference, as the same may be supplemented and amended to reflect the addition of Buildings and Condominium Units as contemplated by Paragraph 16.

(y) "Property" means the Tract and appurtenant easements, the Condominium Units, the Buildings, and all other improvements, and every kind and nature whatsoever, real, personal or mixed, located upon the Tract and used in connection with the operation, use and enjoyment of Newport Bay, excluding the personal property of Owners.

(z) "Regime" means Newport Bay Horizontal Property Regime created by this Declaration pursuant to the Act.

(aa) "Redemption" means (re)construction or (re)building of the Buildings, the Condominium Units, the Common Areas and the Limited Areas to not less than the same condition as they existed immediately prior to any loss, damage or destruction with the same type of architecture and using, where appropriate, new materials of like kind and quality.

(bb) "Supplemental Declaration" means any supplement or amendment to this Declaration that may be recorded by Declarant and that extends the provisions of this Declaration to any part of the Real Estate and contains such complementary or supplementary provisions for such part of the Real Estate as are required or permitted by the Act or this Declaration.

(cc) "Tract" means the real estate described in Exhibit B and such other portions of the Real Estate as have, as of any given time, been subjected to the Act and this Declaration either by this Declaration or by a Supplemental Declaration as herein provided.

2. Declaration. Declarant hereby expressly declares that the Property shall be a Horizontal Property Regime in accordance with the provisions of the Act.
3. **Description of Building.** There is one (1) Building containing twenty-eight (28) Condominium Units on the Tract as of the date hereof, as shown on the Plans. Such Building is identified on the Plans as Building A. A description of the Building and the Condominium Units contained therein is set forth in Exhibit C, attached hereto and hereby made a part hereof by this reference.

4. **Legal Description.** Each Condominium Unit is identified on the Plans by a letter which identifies the name of the Building in which the Condominium Unit is located, followed by the arabic numerals of the Condominium Unit e.g. Building A, Unit 101. The legal description for each Condominium Unit shall consist of the letter of the Building and identifying number for such Condominium Unit as shown on the Plans, and shall be stated as "Condominium Unit (with identifying number) in Newport Bay Horizontal Property Regime".

5. **Description of Condominium Units.**
   (a) **Appurtenances.** Each Condominium Unit shall consist of all space within the boundaries thereof, as hereinafter defined, and all portions of the Building situated within such boundaries, including but not limited to all fixtures, facilities, utilities, equipment, appliances, and structural components designed and intended solely and exclusively for the enjoyment, use and benefit of the Condominium Unit wherein the same are located, or to which they are attached, but excluding therefrom that designed or intended for the use, benefit, support, safety or enjoyment of any other Condominium Unit or which may be necessary for the safety, support, maintenance, use, and operation of any of the Buildings or which are normally designed for common use; provided, however, that all fixtures, equipment and appliances designed or intended for the exclusive enjoyment, use and benefit of a Condominium Unit shall constitute a part of such Condominium Unit, whether or not the same are located within or partly within the boundaries of such Condominium Unit. The space under the Condominium Building designated garage and storage space is considered a part of and for the exclusive use of the Condominium Units of such Building and shall be considered as Limited Area hereinafter defined in Paragraph 7. The Board of the Association shall assign one parking space for each Condominium Unit within the Building appropriately identified at the parking space by the Owner's name or Condominium Unit number at time of purchase. However, parking spaces may be reassigned by the Board of those spaces not utilized by the Unit Owner which may be utilized as the Board deems appropriate. The interior sides and surfaces of all doors and windows in the perimeter walls of a Condominium Unit, whether or not located within or partly
within the boundaries of a Condominium Unit, and all interior walls (except load-bearing walls) and all of the floors and ceilings within the boundaries of a Condominium Unit, are considered part of the Condominium Unit.

(b) Boundaries. The boundaries of each Condominium Unit shall be as shown on the Plans without regard to the existing construction. The vertical boundaries shall run from the upper surfaces of the interior, unfinished surfaces of the lowest floors or subfloors to the interior unfinished surfaces of the highest ceilings and the horizontal boundaries shall be the interior, unfinished surfaces of the common exterior and interior load-bearing walls (including windows and doors) of each Condominium Unit. In the event any horizontal, vertical or other boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or ceiling surface of the Condominium Unit because of inexactness of construction, settling after construction, Restoration, or for any other reason, the boundary lines of each Condominium Unit shall be deemed to be and treated for purposes of ownership, occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent appurtenant easements for exclusive use shall exist in favor of the Owner of each Condominium Unit in and to such space lying outside of the actual boundary lines of the Condominium Unit, but within the appropriate wall, floor or ceiling surfaces of the Condominium Unit.

6. Common Area and Facilities. "Common Areas" means (1) the land portion of the Tract except as otherwise provided herein, (2) the foundations, roofs and exterior wall surfaces of the Buildings, (3) the yards, gardens, open spaces, landscaping, lakes, woodland areas, sidewalks, driveways, and parking areas, except to the extent the same are otherwise classified and defined herein as Limited Areas, (4) central electricity, telephone, gas, water, and sanitary sewer lines or mains serving the Condominium Units, (5) exterior lighting fixtures and electrical service lighting the exterior of the Buildings and certain of the other Common Areas unless separately metered to a particular Condominium Unit, (6) master television antenna or other telecommunication systems with connecting wiring and outlets to each Condominium Unit, if any, (7) pipes, ducts, insulation, electrical wiring and conduits and public utilities lines that serve more than one Condominium Unit, (8) the recreational facilities, if any, located on the Tract, (9) subfloors, ceilings and interiors of all structural walls, including all exterior perimeter and other load-bearing walls, walls between attached Condominium Units, walls and floors between the garage and the Condominium Unit, except to the extent the same are otherwise classified and defined herein as part of the Condominium Unit or Limited Areas, and (10) all structures, structural components,
facilities and appurtenances located outside of the boundary
lines of the Condominium Units, except those areas and facilities
expressly classified and defined herein as Limited Areas or as
part of the Condominium Unit.

7. Limited Areas and Facilities. Limited Areas and those
Condominium Units to which use thereof is limited are as follows:

(a) The entranceways through which access to a
Condominium Unit is obtained shall be limited to the use of
the Condominium Unit served by such entranceway.

(b) Balconies, patios, decks and porches, storage areas,
if any, together with any area around such patio, deck or
porch or in the garage area specifically shown and designated
on the Plans and any fences and gates therein enclosing or
surrounding the same, and the driveways and sidewalks serving
a particular Condominium Unit shall be limited to the exclu-
sive use of the Condominium Unit to which there is direct
access.

(c) Air conditioning compressors, if any, attached to,
or located in, a Building are limited to the use of the
Condominium Units to which they are connected.

(d) The exterior sides and surfaces of doors, windows
and frames surrounding the same in the perimeter walls in
each Condominium Unit shall be limited to the exclusive use
of the Condominium Unit to which they appertain.

(e) Structural separations between Condominium Units or
the space that would be occupied by such structural separa-
tions may become Limited Areas for the exclusive use of the
Owner or Owners of the Condominium Units on either side
thereof as provided in Paragraph 21.

(f) Any other areas designated and shown on the Plans as
Limited Areas shall be limited to the Condominium Unit or
Condominium Units to which they appertain as shown on the
Plans.

8. Ownership of Common Areas and Percentage Interest. Each
Owner shall have an undivided interest in the Common Areas and
Limited Areas equal to his Condominium Unit's Percentage
Interest. The Percentage Interest in the Common Areas and
Limited Areas appertaining to each Condominium Unit is set forth
in Exhibit D attached hereto and made a part hereof. The
Percentage Interest of each Condominium Unit shall be equal for
all purposes and shall be a percentage equal to the number one
(1) divided by the total number of Condominium Units that, from
time to time, have been submitted and subjected to the Act and
this Declaration as herein provided and that constitute a part of
Newport Bay. Except as otherwise provided or permitted herein, the Percentage Interest appertaining to each separate Condominium Unit in the Common Areas and Limited Areas shall be of a permanent nature and shall not be altered except in compliance with all requirements of the Act.

The Percentage Interest appertaining to each Condominium Unit shall also be the Percentage Vote allocable to the Owner thereof in all respect to Newport Bay and the Association upon which the Co-owners are entitled to vote.

9. Encroachments and Easements for Common Areas. If, by reason of the location, construction, Restoration, settling or shifting of a Building, any Common Area or Limited Area now encroaches or shall hereafter encroach upon any Condominium Unit, then in such event, an easement shall be deemed to exist and run to the Co-owners and the Association for the maintenance, use and enjoyment of such Common Area or Limited Area.

Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities located in any of the other Condominium Units and serving his Condominium Unit.

Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Condominium Unit and any Limited Area designated for use in connection therewith, and shall have the right to the horizontal and lateral support of his Condominium Unit. Such rights shall be appurtenant to and pass with the title to each Condominium Unit.

10. Casualty and Restoration. In the event of damage or destruction of the Property by fire or other cause, the following provisions shall be applicable:

(a) Partial Destruction. In the event that less than all of the Buildings are completely destroyed by the occurrence of fire or by other cause, then the Association shall cause the Property to be promptly repaired and restored in accordance with this Declaration and the original Plans and specifications. 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 Restoration, or in the event there are no proceeds, the cost for restoring the damage shall be paid by all of the Owners of the Condominium Units based on their Percentage Interest. If any Owner, or Owners, refuses or fails to make the required payments, the other Owners shall (or the Association, if any other Owners fail to do so) complete the Restoration and pay the cost thereof, and the cost attributable to the Owner or Owners who refuse or fail to make such payments at the time required by the Board of
Directors shall become a lien on such defaulting Owner's Condominium Unit and may be foreclosed in the same manner as provided for the lien for Common Expense.

(b) In the Event of Complete Destruction. In the event of complete loss or destruction of all the Buildings, this Regime shall terminate, the Property shall be deemed owned in common by the Co-owners and the provisions of Section 28 of the Act shall apply.

(c) Determination of Complete Destruction. It shall be conclusively presumed that complete destruction of all Buildings did not occur unless it is determined by a Constitutional Majority at a special meeting of the Association held within one hundred twenty (120) days following the date of damage or destruction that all Buildings have been completely destroyed together with written consents of seventy-five percent (75%) of First Mortgagees of the Units.

11. Condemnation. If at any time or times during the continuance of this Regime, all or a part of the Property shall be taken or condemned by any Person with the power of eminent domain or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall be applicable:

(a) Representation. The Association, or the Insurance Trustee, if so appointed by the Association shall represent the Co-owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Areas, or part thereof, by the condemning authority. Each Co-owner hereby appoints the Association or its designee as attorney-in-fact for the purposes described in this subparagraph.

(b) Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Insurance Trustee as trustee for all Owners and their Mortgagees according to their respective interests therein.

(c) Total Taking. In the event that the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, this Horizontal Property Regime shall terminate. The Condemnation Award shall be apportioned among the Co-owners in accordance with their respective Percentage Interests and paid into separate accounts, each such account representing one Condominium Unit. Each such account shall remain in the name of the Insurance Trustee and shall be further identified by the legal description of the Condominium Unit and the name of the Owner. From each separate account the Insurance Trustee shall use and disburse the total amount of such accounts,
without contribution from one account to the other, first to the payment of valid tax and special assessment liens on the Condominium Unit in favor of any governmental taxing or assessing authority, next to payment of any assessments made pursuant to this Declaration or the By-Laws, next to other holders of liens or encumbrances on the Condominium Unit in the order of priority of their liens, and the balance remaining, if any, to each respective Owner.

(d) Partial Taking. In the event that less than the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, this Horizontal Property Regime shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Insurance Trustee shall, reasonably and in good faith, allocate the Condemnation Award among compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners as follows:

(i) the total amount allocated to the taking of or injury to the Common Areas and Limited Areas shall be apportioned among the Owners in proportion to their respective Percentage Interests;

(ii) the total amount allocated to the severance damages shall be apportioned to the Owners of those Condominium Units that were not taken or condemned;

(iii) the respective amounts allocated to the taking of or injury to a particular Condominium Unit and/or improvements an Owner has made within his own Condominium Unit shall be apportioned to the Owner of the particular Condominium Unit involved; and

(iv) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Insurance Trustee determines to be equitable in the circumstances.

If any allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Insurance Trustee shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by the Insurance Trustee by checks payable jointly to the respective Owners and their respective Mortgagees, provided that, with respect to an Owner whose Condominium Unit was taken or condemned, there shall first be deducted therefrom and paid or applied by the Insurance Trustee as appropriate such Owner's pro-rata share of the expenses of the Insurance Trustee, the amounts of any valid
tax or special assessment lien in favor of any governmental taxing or assessing authority and any assessments made pursuant to this Declaration or the By-Laws.

(e) Reorganization. In the event a partial taking results in the taking of a complete Condominium Unit, the Owner thereof shall automatically cease to be an Owner and a member of the Association. Thereafter, the Board of Directors shall reallocate to the remaining Owners, pro-rata, the Percentage Interest and Percentage Vote of such Owner. Such reallocation shall be submitted by the Board of Directors to the Owners of the remaining Condominium Units for approval by a Constitutional Majority thereof and appropriate amendment of this Declaration, but any such amendment to be effective must be approved by seventy-five percent (75%) of First Mortgagees.

(f) Restoration and Repair. Anything to the contrary in this Paragraph 11 notwithstanding, in the event that less than the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof and any Condominium Unit, Common Area or Limited Area may reasonably be restored or repaired, as determined by an independent licensed architect or engineer employed by the Board of Directors for making such determination or by seventy-five percent (75%) of the First Mortgagees, the amount, if any, of the Condemnation Award allocable to the taking of or injury to the Common Areas and Limited Areas and to severance damages shall be applied to the cost of Restoration or repair of such Common Area and/or Limited Area, and the amount, if any, allocable to the taking of or injury to a particular Condominium Unit that may be restored or repaired shall be applied to the cost of such Restoration or repair. If any amount of the Condemnation Award then remains, such amount shall be allocated and disbursed in accordance with the provisions of subparagraph (d) above. If the amount of the Condemnation Award is insufficient to cover the cost of any such Restoration or repair, the provisions of Paragraph 10(a) shall apply.

(g) Alternative Valuation in Event of Total Taking. In the event the amount of the Condemnation Award is determined in negotiation, judicial decree or otherwise according to the value of individual Condominium Units as separately determined, the Condemnation Award shall be apportioned, with respect to such Condominium Units, according to the values so determined and not in accordance with the respective Percentage Interests of the Owners; but if the value of the Common Areas and/or Limited Areas is determined separately, the amount of the Condemnation Award attributable thereto shall be allocated among the Owners in accordance with their respective Percentage Interests.
12. Association of Owners. Subject to the rights of Declarant reserved in Paragraph 19 hereof, the maintenance, repair, upkeep, replacement, administration, management and operation of the Property shall be by the Association. Each Owner shall, automatically upon becoming an Owner of a Condominium Unit, be and become a member of the Association and shall remain a member until such time as his ownership ceases, but membership shall terminate when such Person ceases to be an Owner, and will be transferred to the new Owner.

The Association shall elect a Board of Directors annually (except for the Initial Board as defined in the By-Laws) in accordance with and as prescribed by the By-Laws. Each Owner shall be entitled to cast his Percentage Vote for the election of the Board of Directors, except for the Initial Board who shall serve for the period provided in the By-Laws. Each Person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by Declarant to fill a vacancy, shall be deemed a member of the Association and an Owner solely for the purposes of the Statute (as defined in the By-Laws) and of qualifying to act as a member of the Board of Directors and for no other purpose. No such Person serving on the Initial Board shall be deemed or considered a member of the Association nor an Owner for any other purpose (unless he is actually an Owner and thereby a member of the Association).

An individual designated by an Owner that is not a natural Person shall be deemed a member of the Association for the purpose of qualifying for membership on the Board of Directors.

The Board of Directors shall be the governing body of the Association, representing all of the Owners in providing for the management, administration, operation, maintenance, repair, replacement and upkeep of the Property (exclusive of the Condominium Units except to the extent herein or in the By-Laws otherwise provided).

13. Covenants and Restrictions. The covenants and restrictions applicable to the use and enjoyment of the Condominium Units, the Common Areas and Limited Areas are set forth in the By-Laws, including the limitation that each of the Condominium Units shall be limited to residential use. These covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner, or by the Association. Present or future Owners and the Association shall be entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages for any injuries resulting from any violations thereof, but there shall be no right of reversion or forfeiture of title resulting from such violation.
Notwithstanding anything to the contrary contained herein or in the By-Laws, including but not limited to any covenants and restrictions set forth in the By-Laws, Declarant shall have, until the date described in Paragraph 16 hereof as the date upon which Declarant's right to expand the Property and Newport Bay terminates, the right to use and maintain any Condominium Units owned by Declarant, such other portions of the Property (other than individual Condominium Units owned by persons other than Declarant) and any portions of the Real Estate not then part of the Tract, all of such number and size and at such locations as Declarant in its sole discretion may determine, as Declarant may deem advisable or necessary in its sole discretion to aid in the renovation and sale of Condominium Units, or to promote or effect sales of Condominium Units or for the conduct of any business or activity attendant thereto, including, but not limited to, model Condominium Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. At no time shall any of such facilities so used or maintained by Declarant be or become part of the Common Areas, unless so designated by Declarant, and Declarant shall have the right to remove the same from the Property at any time.

14. Amendment of Declaration. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered.

(b) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or Owners having in the aggregate at least a majority of the Percentage Vote.

(c) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the By-Laws.

(d) Adoption. Except as otherwise provided herein, any proposed amendment to this Declaration must be approved by a Majority of Owners.

(e) Restrictions on Amendments.

(i) The consent of a Constitutional Majority and the approval of Mortgages holding first mortgages on Condominium Units to which at least seventy-five percent
(75%) of the Percentage Vote of Mortgaged Units appertain, shall be required to terminate the Regime.

(i) The consent of a Constitutional Majority and the approval of seventy-five percent (75%) of Mortgagees shall be required to amend materially any provisions of the Declaration, By-Laws or equivalent organizational documents of the Regime or to add any material provisions thereto which establish, provide for, govern or regulate any of the following:

(i) voting;
(ii) assessments, assessment liens or subordination of such liens;
(iii) reserves for maintenance, repair and replacement of the Common Areas;
(iv) insurance or fidelity bonds;
(v) rights of use of the Common Areas;
(vi) responsibility for maintenance and repair of the several portions of the Property;
(vii) expansion or contraction of the Regime or the addition, annexation or withdrawal of property to or from the Regime except as provided for in Paragraph 16;
(viii) boundaries for any Condominium Unit;
(ix) the interest in the Common Areas or Limited Areas;
(x) convertibility of Condominium Units into Common Areas or Common Areas into Condominium Units;
(xi) leasing of Condominium Units;
(xii) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his or her Condominium Unit.

(iii) The consent of a Constitutional Majority and the approval of seventy-five percent (75%) of Mortgagees shall be required to amend any provisions included in the Declaration, By-Laws or the equivalent organizational documents of the Regime that are for the express benefit of Mortgagees.
(f) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Association provided that any amendment requiring the consent of Declarant shall contain Declarant's signed consent. All amendments shall be recorded in the office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded.

(g) Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein, the Declarant shall have the right acting alone and without the consent or approval of the Co-owners, the Association, the Board of Directors, any Mortgagees or any other Person to amend or supplement this Declaration from time to time if (i) such amendment or supplement is necessary to conform this Declaration to the Act, as amended from time to time, (ii) such amendment or supplement is made to implement expansion of the Property and Newport Bay pursuant to Declarant's reserved rights to so expand the same as set forth in Paragraph 16 hereof, or (iii) such amendment or supplement is made 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 Veterans 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, (iv) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgage, or (v) if such amendment or supplement is made to correct clerical or typographical errors. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to any amendments described in this Paragraph 14 on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage or other instrument affecting a Condominium Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record any such amendment, but the right of the Declarant to act pursuant to rights reserved or granted under this Paragraph 14 shall terminate at such time as the Declarant no longer holds or controls title to any part or portion of the Real Estate.

15. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Condominium Units shall be subject to and shall comply with the provisions of this Declaration, the Act, the By-Laws appended hereto, and the rules and regulations as adopted by the Board of Directors as

Newport Bay is and shall be an "expandable condominium," as defined in the Act, and Declarant expressly reserves the right and option to expand the Property and Newport Bay in accordance with the provisions of the Act and the following provisions:

(a) The real estate described and defined herein as the Tract and described in Exhibit B is the real estate being subjected to the Regime by this Declaration and constitutes the first phase of the general plan of development of the Real Estate. The balance of the Real Estate described in Exhibit A is the area into which expansion of Newport Bay may be made by Declarant. The maximum number of Condominium Units that may be developed on the Real Estate, including Condominium Units on the Tract as defined in this original Declaration, shall be one hundred eighty (180). Subject to said limit as to the maximum number of Condominium Units to be developed on the Real Estate, Newport Bay may be expanded by Declarant to include additional portions of the Real Estate described in Exhibit A in one (1) or more additional phases by the execution and recording of one (1) or more Supplemental Declarations, but no single exercise of such right and option of expansion as to any part or parts of the Real Estate shall preclude Declarant from thereafter from time to time further expanding Newport Bay to include other portions of the Real Estate, and such right and option of expansion may be exercised by Declarant from time to time as to all or any portions of the Real Estate so long as such first expansion is done on or before five (5) years from date of recording hereof, and a time limit of not exceeding ten (10) years in which all phases may be added to the Regime from date of recording hereof. Such expansion is entirely at the discretion of Declarant and nothing contained in this original Declaration or otherwise shall require Declarant to expand Newport Bay beyond the Tract (as described in Exhibit B to this Declaration) or any other portions of the Real
Estate that Declarant may voluntarily and in its sole discretion from time to time subject to this Declaration by Supplemental Declarations as provided above.

(b) The Percentage Interest that will appertain to each Condominium Unit in Newport Bay as Newport Bay may be expanded from time to time by Declarant in accordance with the terms hereof (including the Percentage Interest that appertain to each of the Condominium Units included in this original Declaration) shall be equal and shall be a percentage equal to the number one (1) divided by the total number of Condominium Units that, from time to time, have been subjected and submitted to this Declaration and then constitute a part of Newport Bay.

(c) Simultaneously with the recording of Supplemental Declarations expanding Newport Bay, Declarant shall record new Plans as required by the Act. Such Supplemental Declarations shall also include provisions reallocating Percentage Interests so that the Condominium Units depicted on such new Plans shall be allocated Percentage Interests in the Common Areas and Limited Areas on the same basis as the Condominium Units depicted in the prior Plans. Such reallocation of Percentage Interests shall vest when the Supplemental Declarations incorporating those changes have been recorded.

(d) When the Supplemental Declaration incorporating the addition of Condominium Units or expansion of Common Areas and Limited Areas, or both, is recorded, all liens including, but not limited to, mortgage liens shall be released as to the Percentage Interests in the Common Areas and Limited Areas described in this Declaration and shall attach to the reallocated Percentage Interests in the Common Areas and Limited Areas as though the liens had attached to those Percentage Interests on the date of the recordation of the mortgage or other lien. The Percentage Interests appertaining to additional Condominium Units being added by the Supplemental Declaration are subject to mortgage and liens upon the recordation of the Supplemental Declaration.

(e) In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, as attorney-in-fact, to shift the Percentage Interest in the Common Areas and Limited Areas appurtenance to each Condominium Unit to the percentages set forth in each Supplemental Declaration recorded pursuant to this Paragraph 16. Each deed, mortgage or other instrument with respect to a Condominium Unit and the acceptance thereof shall be deemed a consent to and acknowledgment of, and grant of, (i) such power to said attorney-in-fact and (ii) the right pursuant to such power to shift and reallocate from time to time the percentages of ownership in the Common Areas and Limited

- 17 -

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Areas appurtenant to each Condominium Unit to the percentages set forth in each such recorded Supplemental Declaration.

(f) Each Owner of a Condominium Unit by acceptance of a deed thereto, further acknowledges, consents and agrees, as to each recorded Supplemental Declaration, as follows:

(i) The portion of the Real Estate described in each such Supplemental Declaration shall be governed in all respects by the provisions of this Declaration.

(ii) The Percentage Interest in the Common Areas and Limited Areas appurtenant to each Condominium Unit shall automatically be shifted and reallocated to the extent set forth in each Supplemental Declaration and upon the recording thereof such Percentage Interests shall thereby be and be deemed to be released and divested from such Owner and reconveyed and reallocated among the other Owners as set forth in each recorded Supplemental Declaration.

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

(iv) A right of revocation is hereby reserved by the grantor in each deed, mortgage or other instrument affecting a Condominium Unit to so amend and reallocate the Percentage Interest in the Common Areas and Limited Areas appurtenant to each Condominium Unit.

(v) The Percentage Interest in the Common Areas and Limited Areas appurtenant to each Condominium Unit shall include and be deemed to include any additional Common Areas and Limited Areas included in land to which Newport Bay is expanded by a recorded Supplemental Declaration and each deed, mortgage or other instrument affecting a Condominium Unit shall be deemed to include such additional Common Areas and Limited Areas and the ownership of any such Condominium Unit and lien of any such mortgage shall automatically include and attach to such additional Common Areas and Limited Areas as such Supplemental Declarations are recorded.
(vi) Each Owner shall have a perpetual easement appurtenant to his Condominium Unit for the use of any additional Common Areas described in any recorded Supplemental Declaration, for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Owners (Limited Areas) of specific Condominium Units as may be provided in such Supplemental Declaration, and each Owner of a Condominium Unit described in any recorded Supplemental Declaration shall have a perpetual easement appurtenant to his Condominium Unit for the use of all Common Areas (except Limited Areas) described in this Declaration as supplemented or amended prior to the date of such recorded Supplemental Declaration.

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

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

(ix) Each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this Paragraph 16 to comply with the Act as it may be amended from time to time.

(x) Assessments, method of payment and enforcement thereof on Condominium Units built as an expandable Condominium Unit pursuant to any Supplemental Declaration shall be governed by the same provisions pertaining to Assessments as set forth in the By-Laws.

(xi) Voting rights of an Owner in an expandable Condominium Unit created by Supplemental Declaration shall vest upon becoming a Member of the Association as prescribed by the By-Laws.

(g) In the event Declarant elects to expand the Property and Newport Bay, all improvements constructed on that portion of the Real Estate added to the Tract (the "Expansion Parcel") shall be consistent with the improvements then located on the Tract in terms of the quality of construction
and all such improvements shall be substantially completed before the Expansion Parcel is added to the Tract. No lien arising in connection with Declarant’s ownership of, and construction of improvements on, the Expansion Parcel shall adversely affect the rights of existing Owners or the priority of first mortgages on Condominium Units in the existing Property. All taxes and other assessments relating to the Expansion Parcel covering any period prior to the additions of the Expansion Parcel shall be paid by or otherwise satisfactorily provided for by Declarant.

17. Granting of Easements. The Board of Directors is granted the authority to grant such easements upon such terms and conditions and for such consideration as they deem appropriate.

18. Reservation of Rights to the Use of the Common Areas.

(a) If, at any time, and from time to time, any portion of the Real Estate has not been subjected and submitted to this Declaration or to the Act by a Supplemental Declaration and such portion or portions of the Real Estate not so subjected to this Declaration or to the Act is/are developed with single or multi-family dwelling units (whether for rent or otherwise), then the owner or owners of such portions of the Real Estate shall have the benefit of the Common Areas or portions thereof, to include the use of all driveways and other roads and utilities for the use of the Persons occupying such dwelling units upon the same terms and conditions as the use of such Common Areas by the owners of the Condominium Units, their families, tenants and guests. The owner or owners of such portions of the Real Estate shall then pay for the use of such facilities based on the cost of operation and maintenance of such facilities for the year of such usage and based on the number of dwelling units so entitled to use such facilities in the proportion that the number of dwelling units on the Real Estate exclusive of the Tract bears to the sum of (i) such number of dwelling units plus (ii) the number of Condominium Units. The owner or owners of such dwelling units shall make payments for the usage provided herein to the Association at the same time as the Owners of Condominium Units pay their assessments to the Association.

(b) Declarant shall have, and hereby reserves, an easement over, across, upon, along, in, through and under the Common Areas, including, to the extent necessary, the Limited Areas, for the purposes of installing, maintaining, repairing, replacing, relocating and otherwise servicing utility and telecommunication equipment, facilities and installations to serve the Property and any portions of the Real Estate that are not part of the Property, to provide access to and ingress and egress to and from the Property and
to any such portions of the Real Estate that are not part of the Property, to make improvements to and within the Property and any such portions of the Real Estate that are not part of the Property, and to provide for the rendering of public and quasi-public services to the Property and such portions of the Real Estate that are not part of the Property. The foregoing easement shall be a transferable easement and Declarant may at any time and from time to time grant similar easements, rights or privileges to other Persons for the same purposes. By way of example, but not in limitation of the generality of the foregoing, Declarant, and others to whom Declarant may grant such similar easements, rights or privileges, may so use the Common Areas and, to the extent necessary, the Limited Areas, to supply utility and telecommunication services to the Property and any portions of the Real Estate that are not part of the Property and to permit public and quasi-public vehicles, including but not limited to police, fire and other emergency vehicles, trash and garbage collection, postal delivery vehicles, and their personnel to enter upon and use the drives and streets, the Common Areas and, to the extent necessary, the Limited Areas of Newport Bay in the performance of their duties.

19. Initial Management. As set forth in the By-Laws, the initial Board of Directors consists and will consist of Persons selected by Declarant until the Applicable Date. The Board of Directors has entered, or may hereafter enter, into a management agreement with Declarant (or a corporation or other entity affiliated with Declarant) for a term which will expire not later than the Applicable Date, under which Declarant (or such affiliate of Declarant, as appropriate) will provide supervision, fiscal and general management and maintenance of the Common Areas and, to the extent the same is not otherwise the responsibility of Owners of individual Condominium Units, the Limited Areas, and, in general, perform all of the duties and obligations of the Association. Such management agreement is or will be subject to termination by Declarant (or its affiliate, as appropriate) at any time prior to the expiration of its term, in which event the Association shall thereupon and thereafter resume performance of all of its duties and obligations and functions. Notwithstanding anything to the contrary contained herein, so long as such management agreement remains in effect, Declarant (or its affiliate, as appropriate) shall have, and Declarant hereby reserves to and for its benefit (or to its affiliate, as appropriate), the exclusive right to manage the Property and to perform all the functions of the Association.

The initial Board may extend the management agreement beyond the Applicable Date providing the contract includes a right of termination without the Association's consent that the Association can exercise at any time after the Applicable Date. Such right of termination
shall not require the payment of any penalty or an advance notice of more than ninety (90) days. Both the term and termination provisions apply only to professional management contracts and not to any other types of service contracts.

20. Assessments and Limitation on Declarant’s Liability for Assessments. Co-owners are obligated to contribute pro rata in the same percentages as their established Percentage Interest in Common Areas and Limited Areas set forth in Paragraph 8 of this Declaration to the usual and ordinary maintenance and replacement reserve fund to assure continuous and adequate maintenance of Newport Bay as prescribed by the Act, the assessment procedures and the method of collection and enforcement set forth under Article VI of the By-Laws attached to this Declaration. Provided, however, Declarant or its successors in interest, as a Co-owner, shall be excused from payment of assessments from the date this Declaration is recorded until the first day of the twenty-fourth (24th) calendar month following the month in which the closing of the sale of the first Condominium Unit occurs in the Buildings committed by this Declaration to the Regime; such provision shall also apply to assessments for Units owned by Declarant in Buildings committed by Supplemental Declarations. Provided, further, that if the expenses incurred under the assessment procedure exceed the amount assessed against the other Co-owners, then the Declarant or its successor shall pay the excess of the twenty-four (24) month period. Prior to the Applicable Date, Declarant shall bear all expenses incurred with respect to the Tract arising out of construction or other activities on any portion of the Real Estate not included in the Tract, including but not limited to road damage and clean-up of debris caused by construction traffic, connection to any utility lines or mains located on the Tract and damage to, or deterioration of, grass, trees, fences or other portions of the Property due to construction off site or the state of areas under development.

21. Sale, Lease or Other Transfer of Condominium Unit by Owners.

(a) Lease. It is in the best interests of all the Owners that those persons residing in Newport Bay have similar proprietary interests in their Condominium Units and be Owners. For the purpose of maintaining the congenial and residential character of Newport Bay, no Owner including the Declarant shall lease his Condominium Unit or enter into any other rental or letting arrangement for his Condominium Unit unless such lease is in writing and is for an initial period of at least six (6) months. Any such lease shall be made explicitly subject to the terms of this Declaration and the By-Laws.

(b) Sale. The Association shall have no right of first refusal to purchase any Condominium Unit which an Owner
wishes to sell and an Owner may sell his Condominium Unit free of any such restriction.

22. Right to Combine Units. Two or more adjoining Condominium Units may be utilized by the Owner or Owners thereof as if they were one Condominium Unit or three (3) Condominium Units may be constructed or structurally altered into two (2) Condominium Units and any walls, floors or other structural separations between any such Condominium Units, or any space that would be occupied by such structural separations but for the utilization of the Condominium Units as one Condominium Unit, may, for as long as the Condominium Units are utilized as one, be utilized by the Owner or Owners of the adjoining Condominium Units as Limited Areas except to the extent that any structural separations are necessary or contain facilities necessary for the support, use or enjoyment of other parts of the Building of which they are a part. At any time, upon request of the Owner of one of such adjoining Condominium Units, any opening between the Condominium Units that, but for joint utilization of the two Condominium Units, would have been occupied by a structural separation, shall be closed, at the equal expense of the Owners of each of the Condominium Units; and the structural separations between the Condominium Units shall thereupon become Common Areas. To the extent that a Condominium Unit is enlarged as immediately above set forth the percentage of Assessment for Maintenance of Common Areas and Limited Areas shall correspondingly be increased in the same manner as the percentages interest in Common Areas and the Percentage Vote allocable to the Owner thereof in all matters with respect to Newport Bay and the Condominium Association as the same are defined in this Declaration and the By-Laws.

23. Right of Action. Subject to the provisions of Paragraph 29, the Association and any aggrieved Owner shall have a right of action against any Owner or Owners for failure to comply with the provisions of the Declaration, By-Laws or any decision of the Association or its Board of Directors which are made pursuant to authority granted to the Association or its Board of Directors in such documents. Owners shall have a similar right against the Association.

24. Costs and Attorneys' Fees. In any proceeding arising because of failure of any Owner to make any payments required by this Declaration, the By-Laws or the Act, or to comply with any provision of the Declaration, the Act, the By-Laws, or the rules and regulations adopted pursuant thereto as each may be amended from time to time, the Association shall be entitled to recover its costs and reasonable attorneys' fees incurred in connection with such default or failure.

25. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or Limited Areas or by
abandonment of his Condominium Unit.

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

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

28. Floor Plans. The Plans setting forth the layout, location, identification numbers, and dimensions of the Condominium 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 February 15, 1987, as Instrument Number 28-6560.

29. Execution. This instrument is executed and delivered on the express condition that anything herein to the contrary notwithstanding, each and all of the representations, covenants, undertakings and agreements herein made on the part of Declarant ("Representations"), while in form purporting to be the Representations of Declarant, are nevertheless each and every one of them, made and intended not as personal Representations by Declarant or for the purpose or with the intention of binding Declarant personally, but are made and intended for the purpose of binding only the Tract; and no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against Declarant personally or its Directors and Officers, on account of this instrument or on account of, in connection with or arising out of any Representations of Declarant in this instrument contained, either express or implied, all such personal liability, if any, being expressly waived and released by each Person who acquires any interest in a Condominium Unit as a condition to the acquisition thereof.

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

Bay Development Corporation
By: ____________
Allen R. Sklar, President
Attest: ____________
Marilyn R. Sklar, Secretary
STATE OF INDIANA)
COUNTY OF Marion

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Bey Development Corporation by its President and Secretary, who acknowledged the execution of the foregoing Declaration of Horizontal Property Ownership for and on behalf of said corporation, and who, having been duly sworn, stated that the representations contained therein are true.

WITNESS my hand and Notarial Seal this 23rd day of November, 1987.

My commission expires:
April 24, 1991

[Signature]

This instrument prepared by William F. LeMond, Attorney at Law, 600 Union Federal Building, Indianapolis, In. 46204.

file 3674
code HPR:NEWP.1-.12
CONSENT OF MORTGAGEE

THE UNDERSIGNED, being the holder of an existing mortgage on
the Tract, as defined in the above and foregoing Declaration,
which mortgage was dated the 15th day of May, 1987,
and recorded in the Office of the Recorder of Marion County,
Indians on the 22nd day of May, 1987, as Instrument No.
87-05663, hereby consents to the recording of the above and
foregoing Declaration and the submission of the Tract to the pro-
visions of the Horizontal Property Act of the State of Indiana,
and further agrees that its mortgage shall be subject to the pro-
visions of the Act and the above and foregoing Declaration, the
exhibits attached thereto and the documents incorporated therein.
This instrument shall in no way be construed or considered as a
release of the mortgage as to the real estate described in said
mortgage, but such mortgage shall remain in full force and effect
as to said real estate therein described, and as further
described in the Declaration of Horizontal Property Ownership

EXECUTED this 19th day of February, 1988.

Indiana National Bank

By: [Signature]

Robert R. Adams, Vice President

STATE OF INDIANA

COUNTY OF MARION

Before me, a Notary Public in and for said County and State,
personally appeared Robert R. Adams, Vice President
of Indiana National Bank

who, having been duly sworn, acknowledged the execution of the
foregoing Consent of Mortgage for and on behalf of said bank and
who, having been duly sworn, stated that the representations
therein contained are true.

Witness my hand and Notarial Seal this 19th day of January,

My Commission expires: January 1989
Residing in Marion County, IN.

This instrument prepared by William F. LeMond, Attorney at Law,
600 Union Federal Building, Indianapolis, In. 46204.

File 3574
code HPRNEWP.13
EXHIBIT "A"

Commencing at the Southwest corner of the Southeast Quarter of Section 30, Township 17 North, Range 4 East, in Marion County, Indiana; thence North 00 degrees 00 minutes 13 seconds West 1087.36 feet; thence South 02 degrees 05 minutes 15 seconds West 210.82 feet; thence North 00 degrees 00 minutes 15 seconds West 1205.00 feet to the Southwest corner of the Real Estate described in Warranty Deed between Somerset Bay Co. and Bay Development Corporation executed June 30, 1986 and the true point of beginning for the tract herein described and the point of curvature of a tangent curve whose radius point bears North 00 degrees 01 minutes 13 seconds East 199.05 feet from the point of curvature; thence easterly on said curve an arc distance of 108.76 feet to the point of reverse curvature of a tangent curve whose radius point bears South 31 degrees 17 minutes 02 seconds East 460.00 feet from the point of reverse curvature (this and the next five (5) courses are on the centerline of Somerset Bay); the point of reverse curvature of a tangent curve whose radius point bears North 05 degrees 25 minutes 44 seconds East 261.51 feet from the point of reverse curvature; thence easterly on said curve an arc distance of 102.37 feet to the point of tangency; thence North 73 degrees 00 minutes 00 seconds East 193.81 feet to the point of curvature of a tangent curve whose radius point bears South 17 degrees 00 minutes 00 seconds East 133.82 feet from the point of curvature; thence easterly on said curve an arc distance of 39.71 feet to the point of tangency; thence South 90 degrees 00 minutes 00 seconds East 119.43 feet to the East line of said Real Estate; thence North 00 degrees 00 minutes 00 seconds 1253.36 feet (this and the next four (4) courses are on the boundary of said Real Estate); thence South 40 degrees 20 minutes 05 seconds West 660.47 feet; thence North 40 degrees 18 minutes 40 seconds West 257.76 feet to the centerline of River Road; thence South 49 degrees 11 minutes 11 seconds West on the centerline of River Road as it presently exists 303.63 feet to the East line of the Real Estate described in Corporate Warranty Deed between Indiana Financial Investors, Inc. and Bay Development Corporation executed June 30, 1986; thence North 00 degrees 01 minute 15 seconds East 19.55 feet to the old centerline of River Road before its relocation (this and the next eight (8) courses are on the boundary of the Real Estate described in Corporate Warranty Deed between Indiana Financial Investors, Inc. and Bay Development Corporation executed June 30, 1986); thence South 49 degrees 41 minutes 20 seconds West 30.43 feet (this and the next course are located on the old centerline of River Road before its relocation); thence South 56 degrees 51 minutes 20 seconds West 521.60 feet; thence South 33 degrees 30 minutes 15 seconds East 35.00 feet; thence South 01 degree 21 minutes 15 seconds West 694.41 feet to the centerline of Ruth Drive; thence North 64 degrees 01 minutes 15 seconds East 35.80 point bears South 25 degrees 58 minutes 45 seconds East from the point of curvature of a tangent curve whose radius point of curvature; thence easterly on said curve an arc distance 58 minutes 45 seconds East 35.80 point bears South 25 degrees 58 minutes 45 seconds East from the true point of tangent; thence South 89 degrees 22.29 feet to the true point of tangent; containing 27.974 acres, more or less.

Subject to public rights-of-way, easements, covenants, conditions and agreements of record.
SOUTHEAST HANG OF NEWPORT BAY

A portion of Section 30, Township 17 North, Range 4 East, in Marion County, Indiana, more particularly described as follows:

Commencing at the Southwest corner of the Southeast Quarter of Section 30, Township 17 North, Range 4 East, in Marion County, Indiana; thence North 00 degrees 08 minutes 13 seconds West (assumed bearing) on the West line of said Southeast Quarter 1087.36 feet; thence South 02 degrees 06 minutes 15 seconds West 210.52 feet; thence North 00 degrees 01 minute 15 seconds East 1025.00 feet to the Southwest corner of the Real Estate described in Warranty Deed between Somerset Bay Co. and Bay Development Corporation executed June 30, 1966 and the true point of beginning for the tract herein described and the point of curvature of a non-tangent curve whose radius point bears North 00 degrees 01 minutes 15 seconds East 199.05 feet from the point of curvature; thence easterly on said curve an arc point point bears South 3 degrees 17 minutes 02 seconds East 480.00 feet from the point of reverse curvature (this and the next five (5) courses are on the centerline of Somerset Bay); thence easterly on said curve an arc distance of 307.56 feet to the point of reverse curvature of a tangent curve whose radius point bears South 17 degrees 09 minutes 00 seconds East 133.62 feet from the point of curvature; thence North 73 degrees 25 minutes 44 seconds West 261.51 feet from the point of reverse curvature; thence North 73 degrees 25 minutes 44 seconds West 261.51 feet from the point of curvature; thence North 73 degrees 25 minutes 44 seconds West 261.51 feet from the point of curvature; thence North 00 degrees 08 minutes 13 seconds West 1087.36 feet to the point of beginning containing 7.464 acres, more or less.

Subject to dedication for public right-of-way in favor of Marion County by Horgate Associates recorded December 3, 1969, as Instrument # 69-62052, over strip along South side of subject tract (Ruth Drive).

Subject to easements, covenants, and agreements set out in Declaration by Somerset Associates, Central Landowners Company and Ivan Childs dated June 30, 1976, recorded June 30, 1976, as Instrument # 76-38168.

Subject to easements, covenants, and agreements running with the land between Horgate Associates, Somerset Associates and Horgate Apartments dated October 20, 1975, as Instrument # 75-57981, as modified by a certain Partial Release dated June 30, 1976, recorded June 30, 1976, as Instrument # 76-38167 and further amended by Second Amendment of Declaration recorded October 2, 1985, as Instrument # 85-94538.

Subject to a non-exclusive permanent right-of-way grant as set out in Grant of Permanent Right-of-Way, recorded September 7, 1961, as Instrument # 63-64768, over part of subject real estate, upon the terms and conditions provided in said grant.

Subject to an easement for electric line granted to Indianapolis Power & Light Company by Instrument dated July 29, 1969 and recorded September 5, 1969 as Instrument No. 69-46847.

Subject further to all legal easements and rights-of-way.

Dated February 26, 1967
Exhibit C

DESCRIPTION OF BUILDING AND CONDOMINIUM UNITS

The Building on the Tract as of the date of this Declaration is identified and referred to in the Plans as Building A. Building A is also known as the Commodore Wing. The Building is a two-story structure of brick veneer with combination concrete and wood flooring and framing. At the lower level beneath the two stories is a garage and other appurtenances.

Building A contains a total of twenty-eight (28) separate Condominium Units with 28 covered parking spaces and 28 private storage areas under the Building, each Condominium Unit described as follows:

Building A, Unit 101
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 102
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 103
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 104
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 105
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 106
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 107
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)
Building A, Unit 108
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 109
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 110
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 111
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 112
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 113
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 114
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 201
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 202
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)

Building A, Unit 203
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - ie. 2 bedrooms and 2 baths)
Building A, Unit 204
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 205
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 206
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 207
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 208
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 209
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 210
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 211
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 212
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

Building A, Unit 213
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)
Building A, Unit 214
One enclosed parking space (Limited Area)
One enclosed storage area (Limited Area)
(description - i.e. 2 bedrooms and 2 baths)

file 3674
code 2HPR:NEWF.1
Exhibit D

DESCRIPTION OF PERCENTAGE INTERESTS OF CONDOMINIUM UNITS

The Percentage Interest appertaining to each of the respective Condominium Units is 3.571% as of the date of his Declaration. Such Percentage Interests are subject to adjustment and alteration upon expansion of Newport Bay as provided in this Declaration.

file 3674
code HPR+NEWP.15
Addendum To
Declaration Of Horizontal
Property Ownership
For
Newport Bay
Horizontal Property Regime

Pursuant to Indiana Code 32-1-6-12 the reference to the book,
page and date of record of the floor plans of the building
affected by this Declaration is as follows:


code T1/88NEWF.2

880016665
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

APPROVED 2-25-88
WASHINGTON TOWNSHIP ASSESSOR'S
BY: ___________ Real Estate Deputy
TABLE OF CONTENTS

Article Page

I. Identification and Applicability
   Sec. 1.01 Identification and Adoption. 1
   Sec. 1.02 Additional Definitions. 1
   Sec. 1.03 Individual Applicability. 2

II. Meetings of Association
   Sec. 2.01 Purpose of Meetings. 2
   Sec. 2.02 Annual Meetings. 2
   Sec. 2.03 Special Meetings. 2
   Sec. 2.04 Notice and Place of Meeting. 3
   Sec. 2.05 Voting. 3
   Sec. 2.06 Conduct of Meeting. 4

III. Board of Directors
    Sec. 3.01 Management. 5
    Sec. 3.02 Initial Board of Directors. 6
    Sec. 3.03 Additional Qualifications. 6
    Sec. 3.04 Term of Office and Vacancy. 6
    Sec. 3.05 Removal of Directors. 7
    Sec. 3.06 Duties of the Board of Directors. 7
    Sec. 3.07 Powers of the Board of Directors. 8
    Sec. 3.08 Limitation on Board Action. 9
    Sec. 3.09 Compensation. 9
    Sec. 3.10 Meetings. 10
    Sec. 3.11 Waiver of Notice. 10
    Sec. 3.12 Action without a Meeting. 10
    Sec. 3.13 Quorum. 10
    Sec. 3.14 Non-Liability of Directors. 11
    Sec. 3.15 Additional Indemnity of Directors. 11
    Sec. 3.16 Transactions Involving Affiliates. 12
    Sec. 3.17 Bonds. 12

IV. Officers
    Sec. 4.01 Officers of the Association. 13
    Sec. 4.02 Election of Officers. 13
    Sec. 4.03 The President. 13
    Sec. 4.04 The Vice President. 13
    Sec. 4.05 The Secretary. 14
    Sec. 4.06 The Treasurer. 14
    Sec. 4.07 Assistant Officers. 14

V. Management
    Sec. 5.01 Maintenance, Repairs and Replacement. 14
    Sec. 5.02 Right of Entry. 16
    Sec. 5.03 Alterations and Additions. 16
    Sec. 5.04 Real Estate Taxes. 16
    Sec. 5.05 Utilities. 17
    Sec. 5.06 Limitation of Liability. 17
    Sec. 5.07 Negligence. 17
    Sec. 5.08 Costs and Attorneys' Fees. 17
<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI. Assessments</td>
<td></td>
</tr>
<tr>
<td>Sec. 6.01 Proposed Annual Budget</td>
<td>17</td>
</tr>
<tr>
<td>Sec. 6.02 Regular Assessments</td>
<td>10</td>
</tr>
<tr>
<td>Sec. 6.03 Special Assessments</td>
<td>20</td>
</tr>
<tr>
<td>Sec. 6.04 Reserve for Replacements</td>
<td>20</td>
</tr>
<tr>
<td>Sec. 6.05 Working Capital Fund</td>
<td>21</td>
</tr>
<tr>
<td>Sec. 6.06 General Operating Reserve</td>
<td>21</td>
</tr>
<tr>
<td>Sec. 6.07 Failure of Owner to Pay Assessments</td>
<td>21</td>
</tr>
<tr>
<td>Sec. 6.08 Waiver of Lien Upon Foreclosure</td>
<td>22</td>
</tr>
<tr>
<td>Sec. 6.09 Initial Budgets and Assessments</td>
<td>25</td>
</tr>
<tr>
<td>VII. Restriction, Entry and Rules and Regulations</td>
<td></td>
</tr>
<tr>
<td>Sec. 7.01 Restrictions on Use</td>
<td>23</td>
</tr>
<tr>
<td>Sec. 7.02 Right of Board to Adopt Rules and Regulations</td>
<td>26</td>
</tr>
<tr>
<td>Sec. 7.03 Enforcement</td>
<td>26</td>
</tr>
<tr>
<td>VIII. Insurance</td>
<td></td>
</tr>
<tr>
<td>Sec. 8.01 Coverage</td>
<td>26</td>
</tr>
<tr>
<td>Sec. 8.02 Definition</td>
<td>28</td>
</tr>
<tr>
<td>Sec. 8.03 Form</td>
<td>28</td>
</tr>
<tr>
<td>Sec. 8.04 Allocation of Insurance Proceeds</td>
<td>29</td>
</tr>
<tr>
<td>Sec. 8.05 Distribution of Insurance Proceeds</td>
<td>30</td>
</tr>
<tr>
<td>Sec. 8.06 Association as Owner's Agent</td>
<td>31</td>
</tr>
<tr>
<td>Sec. 8.07 Individual Policies - Recommendation of Declarant</td>
<td>31</td>
</tr>
<tr>
<td>Sec. 8.08 Certificates</td>
<td>32</td>
</tr>
<tr>
<td>IX. Damage or Destruction</td>
<td></td>
</tr>
<tr>
<td>Sec. 9.01 Procedure for Restoration or Repair</td>
<td>32</td>
</tr>
<tr>
<td>Sec. 9.02 Estimate of Cost</td>
<td>32</td>
</tr>
<tr>
<td>Sec. 9.03 Plans and Specifications</td>
<td>32</td>
</tr>
<tr>
<td>Sec. 9.04 Sealed Bids</td>
<td>32</td>
</tr>
<tr>
<td>Sec. 9.05 Responsibility</td>
<td>32</td>
</tr>
<tr>
<td>Sec. 9.06 Construction Funds</td>
<td>32</td>
</tr>
<tr>
<td>Sec. 9.07 Certificates</td>
<td>33</td>
</tr>
<tr>
<td>Sec. 9.08 Insurance Trustee</td>
<td>33</td>
</tr>
<tr>
<td>X. Fiscal Management</td>
<td></td>
</tr>
<tr>
<td>Sec. 10.01 Fiscal Year</td>
<td>33</td>
</tr>
<tr>
<td>Sec. 10.02 Books of Account</td>
<td>33</td>
</tr>
<tr>
<td>Sec. 10.03 Inspection</td>
<td>33</td>
</tr>
<tr>
<td>Sec. 10.04 Auditing</td>
<td>33</td>
</tr>
<tr>
<td>Sec. 10.05 Annual Financial Statement</td>
<td>34</td>
</tr>
<tr>
<td>Sec. 10.06 Execution of Association Documents</td>
<td>34</td>
</tr>
<tr>
<td>XI. Amendment to By-Laws</td>
<td></td>
</tr>
<tr>
<td>Sec. 11.01 Procedure</td>
<td>34</td>
</tr>
<tr>
<td>Sec. 11.02 Amended and Restated By-Laws</td>
<td>34</td>
</tr>
<tr>
<td>XII. Mortgages</td>
<td></td>
</tr>
<tr>
<td>Sec. 12.01 Notice to Association</td>
<td>35</td>
</tr>
<tr>
<td>Sec. 12.02 Notices to Mortgages</td>
<td>35</td>
</tr>
<tr>
<td>Sec. 12.03 Notice of Unpaid Assessments</td>
<td>35</td>
</tr>
<tr>
<td>Sec. 12.04 Financial Statements</td>
<td>35</td>
</tr>
<tr>
<td>XIII. Miscellaneous</td>
<td></td>
</tr>
<tr>
<td>Sec. 13.01 Membership Certificates</td>
<td>36</td>
</tr>
<tr>
<td>Sec. 13.02 Personal Interests</td>
<td>36</td>
</tr>
</tbody>
</table>

code: ZHP3:NEWP.3
CODE OF BY-LAWS OF  
NEWPORT BAY HORIZONTAL PROPERTY REGIME  
AND OF  
NEWPORT BAY OWNERS ASSOCIATION, INC.  

ARTICLE I  

Identification and Applicability  

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration creating Newport Bay Horizontal Property Regime to which these By-Laws are attached and made a part. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. Except as otherwise provided in Section 1.02 hereof, the definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws and reference is specifically made to Paragraph I of the Declaration containing definitions of terms. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association. These By-Laws shall also constitute the By-Laws of the Association.  

Section 1.02. Additional Definitions. Notwithstanding any other definition in the Declaration, the following terms as used in these By-Laws shall have the following meanings:  

(a) "Articles" means the Articles of Incorporation of the Association.  

(b) "Assessment" means all sums lawfully assessed against the Owners or as declared or authorized by the Act, the Declaration, any Supplementary Declaration, the Articles, or these By-Laws.  

(c) "Directors" means all the members of the Board of Directors and "Director" means any individual member thereof.  

(d) "Initial Board" means those individuals appointed by Declarant as Directors pursuant to the power reserved to Declarant by Section 3.02 in their capacity as the Board of Directors.  

(e) "Managing Agent" means a reputable and recognized professional property management agent employed by the Board pursuant to Section 3.06.
(f) "Majority Vote" means a majority of the Percentage Vote present and voting at any duly constituted meeting of the Members.

(g) "Member" means a member of the Association and "Members" means more than one member of the Association.

(h) "Regular Assessment" means the Assessment levied pursuant to Section 6.02.

(i) "Special Assessment" means the Assessment levied pursuant to Section 6.03.

(j) "Statute" means the Indiana Not-for-profit Corporation Act of 1971, as the same may be amended from time to time.

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

ARTICLE II

Meetings of Association

Section 2.01. Purpose of Meetings. At least annually, and at such other times as may be necessary, the meetings of the Co-owners shall be held for the purpose of electing the Board (Subject to the provisions of Section 3.02 hereof), approving the annual budget, providing for the collection of Common Expenses and for such other purposes as may be required by the Declaration, the Articles, these By-Laws, the Act or the Statute.

Section 2.02. Annual Meetings. The annual meeting of the Members shall be held on the first Tuesday of December in each calendar year. At the annual meeting, the Owners shall (subject to the provisions of Section 3.02 hereof) elect the Board of Directors in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the Members may be called by resolution of the Board or upon a written petition of Owners who have not less than ten percent (10%) of the Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Association.
(references herein to an officer shall be to that officer of the Association) and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meeting. All meetings of the Members shall be held at any suitable place in Marion County, Indiana, as may be designated by the Board. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary to each Member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Condominium Units and not otherwise. A copy of each such written notice shall also be delivered or mailed simultaneouly by the Secretary to each Mortgagor (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 12.01 of these By-Laws. Attendance at any meeting in person by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. All Persons who own a Condominium Unit shall jointly (and not severally) be entitled to cast one vote for each Condominium Unit they own on each matter coming before the meeting as to which they are entitled to vote.

(b) Multiple Owner. Where the Owner of a Condominium Unit constitutes or consists of more than one Person, or is a partnership, there shall be only one voting representative entitled to all of the Percentage Vote allocable to that Condominium Unit. At the time of acquisition of title to a Condominium Unit by a multiple Owner or a partnership, those Persons constituting such Owner or the partners shall file with the Secretary an irrevocable proxy appointing one of such Persons or partners as the voting representative for such Condominium Unit, which shall remain in effect until all of those Persons constituting such multiple Owner or a majority of the partners in such partnership designate another voting representative in writing, or such appointed representative relinquishes such appointment in writing, becomes incompetent, dies or such appointment is otherwise rescinded by order of a court of competent jurisdiction or the Owner no longer owns such Condominium Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section 2.05, which shall not constitute a permanent relinquishment of his right to act as voting representative for the Condominium Unit.

- 3 -
(c) Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the board of directors of such corporation may cast the vote to which the corporation is entitled. The secretary of the corporation or a trustee of the trust so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the Secretary stating who is authorized to vote on behalf of said corporation or trust.

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

(e) Pledges. If the vote of an Owner or Owners has been pledged by mortgage, security agreement, conditional assignment, or other instrument, an executed copy of which has been filed with the Secretary, only the pledgee shall be entitled to cast the vote of such Owner or Owners upon those matters upon which the Owner or Owners vote is so pledged.

(f) Quorum. Except where otherwise expressly provided in the Declaration, these By-laws, the Act or the Statute, a Majority of Owners shall constitute a quorum at all meetings of the Members.

Section 2.06. Conduct of Meetings.

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

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

2. Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.
(3) Budget. The proposed budget for the current fiscal year shall be presented to the Owners for approval or amendment.

(4) Election of Board of Directors. After the Applicable Date, nominations for the Board may be made by any Owner from those Persons eligible to serve. Such nominations must be in writing and presented to the Secretary at least seven (7) days prior to the date of the annual meeting. Voting for the Board will be by paper ballot. The ballot shall contain the name of each Person nominated to serve as a member of the Board. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those Persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. Prior to the Applicable Date, the nomination and election of the Board shall be governed by the provisions of Section 3.02 hereof.

(5) Other Business. Other business may be brought before the meeting only by decision of the Board of Directors or upon a written request of an Owner submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting, except that such written request may be waived at the meeting if agreed by a Majority of Owners.

(6) Adjournment.

(b) Special Meeting. The President shall act as chairman of any special meetings of the Association if he is present. The chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE III
Board Of Directors

Section 3.01. Management. The affairs of the Association and Newport Bay shall be governed and managed by the Board of Directors. Prior to the Applicable Date, the Board shall be composed of three (3) individuals; after the Applicable Date, the Board shall be composed of nine (9) individuals. No individual shall be eligible to serve as a Director unless he is, or is deemed in accordance with the Declaration to be, an Owner.
including an individual appointed by Declarant as provided in Section 3.02 hereof.

Section 3.02. Initial Board of Directors. The initial Board of Directors shall be Allen T. Sklare, Miriam R. Sklare and Bruce T. Sklare, all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary contained in, or any other provisions of, these By-Laws, the Declaration, the Act or the Statute (a) The Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever, prior to the Applicable Date, every such vacancy shall be filled by an individual appointed by Declarant, who shall thereafter be deemed a member of the Initial Board. Each Owner, by acceptance of a deed to a Condominium Unit or by acquisition of any interest in a Condominium Unit by any type of juridic acts inter vivos or causa mortis, or otherwise, shall be deemed to have appointed Declarant as such Owner's agent, attorney-in-fact and proxy, which appointment shall be deemed coupled with an interest and irrevocable until the Applicable Date, to exercise all of said Owner's right to vote and to vote as Declarant determines on all matters as to which Members are entitled to vote under the Declaration, these By-Laws, the Act, the Statute or otherwise. This Appointment of Declarant as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetency of the Owner granting the same.

Section 3.03. Additional Qualifications. Where an Owner consists of more than one individual or is not a natural Person, then one of the individuals constituting the Multiple Owner, or a partner, an officer or the trustee of a Owner shall be eligible to serve on the Board, except that no single Condominium Unit may be represented on the Board by more than one individual at a time.

Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02 hereof, three (3) members of the Board shall be elected at each annual meeting of the Association. The Initial Board shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date. After the Applicable Date, each member of the Board of Directors shall be elected for a term of three (3) years, except that at the first election after the Applicable Date three (3) Directors shall be elected for a three (3) year term, three (3) for a two (2) year term, and three (3) for a one (1) year term so that the terms of one-third (1/3) of the Directors shall expire annually. There shall be separate nominations for the office of each Director to be elected at such first election after the Applicable Date. Each Director shall hold office throughout the term of his election and until his successor is elected and qualifies. Subject to the provisions of Section 3.02 hereof as to the Initial Board, any vacancy or vacancies occurring in the
Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.05. The Director so filling a vacancy shall serve until the next annual meeting of the Members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

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

Section 3.05. Duties of the Board of Directors. The Board shall provide for the administration of Newport Bay, the maintenance, upkeep and replacement of the Common Areas and Limited Areas (unless the same are otherwise the responsibility or duty of the Owners of Condominium Units), and the collection and disbursement of the Common Expenses. After the Applicable Date, the Board may, on behalf of the Association, employ a Managing Agent upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

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

(b) procuring of utilities used in connection with Newport Bay, removal of garbage and waste, and snow removal from the Common Areas;

(c) landscaping, painting, decorating, furnishing, maintaining and repairing the Common Areas and, where applicable, the Limited Areas;

(d) surfacing, paving and maintaining drives, parking areas and sidewalks;
(e) washing and cleaning of exterior window surfaces of the Condominium Units;

(f) assessment and collection from the Owners of the Owner's share of the Common Expenses.

(g) Preparation of the proposed annual budget;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year;

(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; and

(j) procuring and maintaining for the benefit of the Owners, the Association and the Board the insurance coverages required by Section 8.01 and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable.

(k) making available to Owners and Mortgagees current copies of the Declaration, By-Laws and rules and regulations governing Newport Bay ("Organizational Documents") and any other books, records and financial statements of the Association. The Board shall also make available to prospective purchasers of Condominium Units current copies of the Organizational Documents and the most recent annual audited financial statement, if such statement has been prepared. "Available" means available for inspection upon request during normal business hours or under other reasonable circumstances. Upon written request by the United States Department of Housing and Urban Development or the Veterans Administration, the Board shall also prepare and furnish within a reasonable time an audited financial statement for the Association for the immediately preceding fiscal year.

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

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

(b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board;
(c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of Newport Bay;

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

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

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

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

Section 3.08. Limitation on Board Action. After the Applicable Date, the authority of the Board to enter into contracts shall be limited to contracts involving a total expenditure of less than $10,000.00 without obtaining the prior approval of a Majority of Owners, except that in the following cases such approval shall not be necessary:

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

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

(c) expenditures necessary to deal with emergency conditions in which the Board reasonably believes there is insufficient time to call a meeting of the Owners.

Section 3.09. Compensation. No Director shall receive any compensation for his services as a Director except to such extent as may be expressly authorized by a Majority of Owners. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.
Section 3.10. Meetings.

(a) Organization Meeting. The Board shall meet each year within ten (10) days following the date of the annual meeting of the Association, at such time and place as shall be fixed at the annual meeting, for the purpose of organization, election of officers and consideration of any other business that may properly be brought before the meeting, and no notice shall be necessary to any newly elected Directors in order legally to constitute such meeting if a quorum is present.

(b) Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. The Secretary shall give notice of regular meeting of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

(c) Special Meetings. Special meetings of the Board may be called by the President or any two (2) members of the Board. The Director or Directors calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least three (3) days prior to the date of such special meeting, give notice to the members of the Board. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Marion County, Indiana, as shall be designated in the notice.

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

Section 3.12. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a consent in writing setting forth such actions so taken is signed by all Directors and such written consent is filed with the minutes of the proceedings of the Board.

Section 3.13. Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.
Section 3.14. Non-Liability of Directors. The Directors shall not be liable to the Owners or to any other Persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person arising out of contracts made by the Board on behalf of Newport Bay or the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of Newport Bay or the Association and that in all matters the Board is acting for and on behalf of the Owners as their agent. The liability of any Owner arising out of any contract made by the Board or out of the aforementioned indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to his Percentage Interest. Every contract made by the Board or the Managing Agent on behalf of Newport Bay shall provide that the Board and the Managing Agent, as the case may be, are acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners (if applicable) and then only to the extent of their Percentage Interests.

Section 3.15. Additional Indemnity of Directors. The Association shall indemnify, hold harmless and defend any individual, his heirs, assigns and legal representatives made a party to any action, suit or proceeding by reason of the fact that he is or was a Director, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Association shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a Majority of Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent or any officer or employee thereof, or any accountant, attorney or other person employed by the Association to render advice or service unless such director had actual knowledge of the falsity or incorrectness thereof, nor shall a Director be deemed guilty of
or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board.

Section 3.16. Transactions Involving Affiliates. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any person (including Declarant or any shareholder of Declarant) in which one or more of the Directors are directors, officers, partners, or employees or are pecuniarily or otherwise interested shall be void or voidable because such Director or Directors are present at the meeting of the Board that authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose if:

(a) the contract or transaction is between the Association and Declarant or any affiliate of Declarant entered into prior to the Applicable Date; or

(b) the fact of the affiliation or interest is disclosed or known to the Board or a majority thereof or noted in the minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(c) the fact of the affiliation or interest is disclosed or known to the Co-owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(d) the contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Affiliated or interested Directors may be counted in determining the presence of the quorum of any meeting of the Board thereof that authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if they were not so affiliated or not so interested.

Section 3.17. Bonds. Blanket fidelity bonds shall be maintained by the Association for all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association. Where the Managing Agent has the responsibility for handling or administering funds of the Association, the Managing Agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association and the Association shall be named as an additional obligee thereon. Such fidelity bonds shall name the Association as an obligee and shall not be
less than the estimated maximum of funds, including reserve funds, in the custody of the Association or Managing Agent, as the case may be, at any given time during the term of each bond. In no event, however, may the aggregate amount of such bonds be less than a sum equal to three (3) months’ aggregate assessments on all Condominium Units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of “employees” or similar terms of expressions. The expense of all such bonds shall be a Common Expense. The bonds may not be cancelled or substantially modified without thirty (30) days notice in writing to the Association, the Insurance Trustee and each servicer of a FNMA (Fannie Mae) owned mortgage in the Property.

ARTICLE IV

Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

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

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

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

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

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

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

ARTICLE V

Management

Section 5.01. Maintenance, Repairs and Replacements.

(a) Condominium Units. Each Owner shall, at his expense, be responsible for the maintenance, repairs, decoration and replacement of his own Condominium Unit, except as may otherwise be provided herein. Each Owner shall promptly perform all maintenance and repair within his Condominium Unit which, if neglected, might adversely affect the Property. In addition, each Owner shall furnish, and shall be responsible at his own expense for the maintenance, repairs and replace-
ments of, his Condominium Unit and appurtenant Limited Areas, and all equipment serving the same except to the extent otherwise provided herein.

(b) Maintenance Exceptions. Maintenance, repairs and replacements for which each Owner is not individually responsible are water lines, gas lines, plumbing and electric lines that service the Owner's Condominium Unit only and are located within or without exterior walls of the Condominium Unit including any lines in the area from below the floor to above the ceiling if they are within an extension of the exterior walls of the Condominium Unit; all air conditioning and heating equipment including filters and moving parts, which were a part of original construction except for total replacement of the mechanical components, lavatory, toilet, bath, whirlpool, etc. Such foregoing mechanical maintenance by the Association is for usual and ordinary mechanical maintenance of original construction and where such repair is the result of wilful or negligent misuse by the Owner then a reasonable service charge shall be added to the Owner's next payment of the regular Assessment collectible and enforceable as provided for herein.

(c) Appurtenant Maintenance. Each Owner shall be responsible for doors, screens and windows (including exterior and interior of all glass and screen surfaces), interior grouting and/or caulking and all other accessories appurtenant to the Condominium Unit or belonging to the Owner thereof. In the event that the maintenance or repair of any Condominium Unit is reasonably necessary in the discretion of the Board to protect the Common Areas or Limited Areas, or to preserve the appearance or value of the Property, or is otherwise in the interest of the general welfare of the Con-owners, the Board shall have the power to undertake such maintenance or repair; but no such maintenance or repair shall be undertaken without a resolution by the Board and reasonable written notice to the Owner of the Condominium Unit proposed to be maintained. The cost of any such maintenance or repair shall be assessed against the Condominium Unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then Owner of the Condominium Unit at which time the Assessment shall become due and payable and a continuing lien and obligation of said Owner in all respects as provided in Section 6.06 hereof.

(d) Certain Limited Areas. Each Owner shall, at his expense, be responsible for the replacement of the air conditioning compressor, installed to service his Condominium Unit and for the decoration and general maintenance of any balcony, patio, deck, or porch to which there is direct access from the interior of his Condominium Unit and the
storage area assigned to the Owner within the garage area including parking passageways to locker areas free and clear of storage items. Any balcony, patio, deck, or porch shall be kept free and clean of snow, ice and any other accumulations by the Owner of such Condominium Unit who shall also make all repairs thereto caused or permitted by his negligence, misuse or neglect. All other repairs or replacements in, to or with respect to such balcony, patio, deck, or porch shall be made by the Association, and the cost thereof shall be a Common Expense.

(e) Common Areas and Limited Areas. All maintenance, repairs and replacements to the Common Areas and Limited Areas (except as otherwise provided in the Declaration, a Supplemental Declaration, or these By-Laws) shall be furnished by the Association as part of the Common Expenses. The Board of Directors may adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas and Limited Areas.

Section 5.02. Right of Entry. The Board of Directors, the Managing Agent, or any other Person authorized by the Board or the Managing Agent shall have the right, at reasonable times and upon reasonable prior notice (except in cases of emergency in which event no notice shall be required), to enter into each individual Condominium Unit for the purposes of inspection of the Common Areas and Limited Areas appurtenant thereto and replacement, repair and maintenance of the same.

Section 5.03. Alterations and Additions. No Person shall make any alterations or additions to the Common Areas or Limited Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alteration or addition within the boundaries of his Condominium Unit that would affect the safety or structural integrity of the Building in which the Condominium Unit is located.

Section 5.04. Real Estate Taxes. Real estate taxes are to be separately taxed to each Condominium Unit as provided in the Statute. In the event that for any year real estate taxes are not separately assessed and taxed to each Condominium Unit, but are assessed and taxed on the Property as a whole, then each Owner shall pay his proportionate share thereof in accordance with his respective Percentage Interest. If real estate taxes are assessed on the Tract and other portions of the Real Estate, then the tax for the Tract shall be allocated on a proportionate square footage basis and the tax for the improvements on the Tract shall be allocated on a proportionate value basis as shall be determined by the Board of Directors.
Section 5.05. Utilities. Each Owner shall pay for his own utilities that are separately metered. Utilities that are not separately metered shall be treated as and paid as part of the Common Expenses, unless, after the Applicable Date, alternative payment arrangements are authorized by a Majority of Owners.

Section 5.06. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Common Expenses, or for injury or damage to person or property caused by the elements or by the owner of any Condominium Unit, or any other Person, or resulting from electricity, water, snow or ice that may leak or flow from any portion of the Common Areas or Limited Areas or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles that may be stored upon any of the Common Areas or Limited Areas. No diminution or abatement of assessments for Common Expenses shall be claimed or allowed for inconvenience or discomfort arising from the making or repair of improvements to the Common Areas or Limited Areas or from any action taken by the Association to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

Section 5.07. Negligence. Each Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his negligence or by that of his guests, employees, agents or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, or occupancy or abandonment of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

Section 5.08. Costs and Attorneys' Fees. In any proceeding arising because of failure of an Owner to make any payments required by or to comply with any provisions of, the Declaration, the Act, these By-Laws, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the Association shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.

ARTICLE VI

Assessments

Section 6.01. Proposed Annual Budget. Annually, or on or before the date of the annual meeting of the Association, the Board shall cause to be prepared a proposed annual budget for the
current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by Majority Vote provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall include the amounts required for funding the reserve accounts required by Section 6.04 and 6.05. The failure or delay of the Board to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Association, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred and ten percent (110%) of such last approved budget, as a temporary budget.

Section 6.02. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash required for the Common Expenses in the current fiscal year and required reserve amounts as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Condominium Unit. In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners to reflect the Assessment against each Condominium Unit based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Condominium Unit shall be paid in advance in equal quarterly installments, commencing on the first day of the first month of each fiscal year and quarterly thereafter through and including the first day of the last quarter of such fiscal year. Payment of the quarterly
installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay quarterly assessments semi-annually or annually, in advance. At the election and option of the Board, the Regular Assessment may be required to be paid by the Owners in advance in equal monthly installments rather than quarterly installments.

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

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

(c) The Regular Assessments shall be payable in advance and shall commence at the time of closing and delivery of deed. In computing the initial payment the amount of the Regular Assessments shall be calculated by apportioning the payment based upon a thirty (30) day month until the due date for payment of the next Regular Assessment occurs.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Condominium Unit as of the first day of each fiscal year of the Association, even though the former determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, and sells, conveys or transfers his Condominium Unit or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Condominium Unit from payment of the Regular
Assessment for such Condominium Unit as finally determined, and such Owner and his successor as Owner of such Condominium Unit shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Association pursuant to Section 12.03 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly or monthly (if so determined by the Board) installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statement to Owners for the same.

Section 5.03. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Condominium Unit, prorated in accordance with the Percentage Interest of such Condominium Unit. Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures or to pay for the cost of any repair or reconstruction of damage caused by fire or other cause or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described herein or in the Declaration.

Section 6.04. Reserve for Replacements. The Board of Directors shall cause to be established and maintained a reserve fund for replacements by the allocation and payment to such reserve fund not less often than annually of an amount determined by the Board to be sufficient to meet the costs of periodic maintenance, repair, renewal and replacement of the Common Areas and Limited Areas, including, but not limited to, painting the exterior of buildings, repairing or replacing the recreational facilities, and resurfacing, repairing or replacing streets, parking areas, sidewalks, roofs and other facilities and appurtenances. In determining the amount, the Board shall take into consideration the expected useful life of such Common Areas and Limited Areas, projected increases in the cost of materials and labor, interest to be earned by such funds, and the advice of the Declaration, the Managing Agent and any consultants the Board may employ. Such fund shall be conservatively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to
conduct business in Marion County, Indiana. The reserve for replacements may be expended only for the purpose of effecting the periodic maintenance, repair, renewal or replacement of the Common Areas and Limited Areas and equipment of the Property. The Board shall annually review the adequacy of the reserve fund. The proportionate interest of any Owner in any reserve for replacements shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.05. Working Capital Fund. To meet unforeseen expenditures or to purchase any additional equipment or services, Declarant shall establish a working capital fund equal to two months of the initial estimated Common Expenses for each Condominium Unit in the initial Tract. In each subsequent Tract that may be created by Supplemental Declaration a like working capital fund contribution shall be made. Any amounts paid into this fund shall not be considered as advance payments of Regular Assessments. Each Condominium Unit's share of the working capital fund shall be collected at the time the sale of the Condominium Unit is closed and shall be transferred to the Association for deposit to the segregated fund. Within sixty (60) days after closing has been held for the first Condominium Unit in each Tract (including Supplemental Declarations), the Declarant shall pay each unsold Condominium Unit's share of the working capital fund to the Association. The Declarant shall then reimburse itself for this payment from the funds collected at closing when the unsold Condominium Units are sold.

Section 6.06. General Operating Reserve. The Board of Directors may establish and maintain a reserve fund for general operating expenses of a non-recurring nature by the allocation and payment to such reserve fund not less frequently than annually of such amount as the Board in its discretion determines to be reasonable under the circumstances. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The general operating reserve may be expended only for operating contingencies of a non-recurring nature. The proportionate interest of any Owner in any reserve fund for general operating expenses shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.07. Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Assessments, or from contributing toward the expenses of administration and of maintenance and
repair of the Common Areas and, in the proper case, of the
Limited Areas, of the Buildings, and toward any other expenses
lawfully agreed upon, by waiver of the use or enjoyment of the
Common Areas or by abandonment of the Condominium Unit belonging
to him. Each Owner shall be personally liable for the payment of
his Percentage Interest of all Assessments. Where the Owner
constitutes more than one person, the liability of such person
shall be joint and several. If any Owner shall fail, refuse or
neglect to make any payment of any Assessment when due, a lien
for such Assessment on the Owner’s Condominium Unit may be filed
and foreclosed by the Board for and on behalf of the Association
as provided by law; provided, however, any lien for delinquent
Assessments or other charges that the Association has on a
Condominium Unit will be subordinate to a first mortgage on the
Condominium Unit if the mortgage was recorded before the
delinquent Assessment was due. Upon the failure of an Owner to
make timely payments of any Assessment when due, the Board may in
its discretion accelerate the entire balance of the unpaid
Assessments for the remainder of the current fiscal year and
declare the same immediately due and payable, notwithstanding any
other provisions hereof to the contrary. In any action to
foreclose the lien for any Assessments, the Owner and any occu-
pant of the Condominium Unit shall be jointly and severally
liable for the payment to the Association of reasonable rental
for such Condominium Unit, and the Board shall be entitled to the
appointment of the receiver for the purpose of preserving the
Condominium Unit and to collect the rentals and other profits
therefrom for the benefit of the Association to be applied to the
unpaid Assessments. The Board may, at its option, bring a suit
to recover a money judgment for any unpaid Assessment without
foreclosing or waiving the lien securing the same. In any action
to recover an Assessment, whether by foreclosure or otherwise,
the Board, for and on behalf of the Association, shall be
entitled to recover costs and expenses of such action incurred,
including but not limited to reasonable attorneys’ fees, from the
Owner of the respective Condominium Unit.

Section 6.08. Waiver of Lien Upon Foreclosure.
Notwithstanding anything to the contrary contained in the
Declaration and these By-Laws, any sale or transfer of a
Condominium Unit to a Mortgagor pursuant to a foreclosure of its
mortgage or conveyance in lieu thereof, or a conveyance to any
Person at a public sale in the manner provided by law with
respect to mortgage foreclosures, shall extinguish the lien of
any unpaid installment of any Assessment as to such installments
that became due prior to such sale, transfer or conveyance, but
extinguishment of such lien shall not relieve the prior Owner
from personal liability therefor. No such sale, transfer or con-
vveyance shall relieve the Condominium Unit or the purchaser at
such foreclosure sale, or grantee in the event of conveyance in
lieu thereof, from liability for any installments of Assessments
thereafter becoming due or from the lien therefor. Such unpaid
share of any Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the Condominium Unit from which it arose), as provided in the Act.

Section 6.09. Initial Budgets and Assessments.
Notwithstanding anything to the contrary contained herein, in the Declaration, in the Act, in the Statute or otherwise, until the Applicable Date the annual budget and all Assessments shall be established by the Initial Board without meetings of or concurrence of the Co-owners. The agency, power of attorney and proxy granted to the Declarant by each Owner pursuant to Section 3.02 hereof shall be deemed to cover and include each Owner's right to vote on and approve the annual budget and any Assessments until the Applicable Date.

ARTICLE VII

Restriction, Entry and Rules and Regulations

Section 7.01. Restrictions on Use. The following restrictions on the use and enjoyment of the Condominium Units, Common Areas, Limited Areas and the Property shall be applicable to Newport Bay:

(a) All Condominium Units shall be used exclusively for residential purposes and for occupancy by a single family, excepting Declarant specifically reserves the right to occupy and maintain a Condominium Unit as a sales office or sales area.

(b) No additional buildings shall be erected or located on the Tract other than the Buildings designated in the Declaration or a supplement or amendment to the Declaration, and shown on the Plans or plans filed with such a supplement or amendment to the Declaration, without the consent of the Board of Directors, excepting Declarant reserves the right to maintain a mobile office for construction, marketing or management.

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

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls or balcony of any Building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or be placed upon the exterior wall or roofs or any other parts of any Building without the prior consent of the Board. Interior window and door drapes or coverings shall be of a neutral translucent color and texture or of the same color of the exterior facade surrounding the window or door.

(f) Nothing shall be done or permitted in any Condominium Unit that will impair the structural integrity of any Building or that would structurally change any Building or that would affect the exterior appearance of any Condominium Unit, except as otherwise provided in the Declaration or these By-Laws. No Condominium Unit shall be used in any unlawful manner or in any manner that might cause injury to the reputation of Newport Bay or that might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Condominium Units or neighboring property, including without limiting the generality of the foregoing, noise by the use of any loud speakers, electrical equipment, amplifiers or other equipment or machines or loud person.

(g) The Common Areas and Limited Areas shall be kept free and clear of rubbish, debris and other unsightly materials. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common Area or Limited Areas.

(h) All Owners, guests, tenants or invitees, and all occupants of any Condominium Unit or other Persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Condominium Units, the Common Areas and Limited Areas; including but not limited to rules relating to the keeping of animals, the parking or storage of vehicles or trailers and other matters incidental to the use of the Common Areas and Limited Areas.

(i) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas or Limited Areas, except with express permission from the Board.
(j) No Owner shall be allowed to place or cause to be placed in the lobbies, vestibules, stairways, hallways or areas of a similar nature and used for a similar purpose, both Common Areas and Limited Areas, any furniture or objects of any kind, without the consent of the Board.

(k) All garbage, trash and refuse shall be stored in appropriate containers inside the Condominium Unit (including the garage) or in an inconspicuous place within the Limited Area appurtenant thereto and shall be kept therein until not earlier than sundown of the evening before scheduled trash collection. In the event trash chutes are provided within the Building then such chutes shall be used by the Owners in a clean and sanitary manner that does not clutter the flooring and discharge point into the chute. In the event such garbage, trash or refuse is too bulky to place within the trash chute then garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for scheduled trash collection and shall be placed at such locations for trash collection as are designated by the Board.

(l) No "for sale," "for rent" or "for lease" signs or other advertising display shall be maintained or permitted on the property without the prior consent of the Board except that the right to place or display such signs is reserved to Declarant and the Association with respect to unsold or unoccupied Condominium Units.

(m) Common Areas and Limited Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the provisions of the Declaration, these By-Laws and the rules and regulations from time to time adopted by the Board.

(n) No use shall be made of any part of the Real Estate which violates, and all Owners, members of their families, their guests, tenants, invitees and all occupants or other Persons entitled to use or who may use any part of the Real Estate, shall at all times fully comply with the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described in the Commitments Relative to Use or Development of Real Estate dated January 10, 1983, and recorded January 31, 1983, as Instrument No. 83-6621 in the Office of the Recorder of Marion County, Indiana.

(o) The Association shall have no right of first refusal to purchase any Condominium Unit which an Owner wishes to sell and an Owner may sell his/her Condominium Unit free of any such restriction.
Section 7.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board. The Board shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners.

Section 7.03. Enforcement. The Declarant, the Association and any of its members shall have the right of enforcement of all restrictions and regulations adopted pursuant to this Article VII. Any costs including reasonable attorneys fees may be recovered from any Owner for violation thereof; however, any reservation of right to the use of summary abatement or similar means to enforce restrictions against a Condominium Unit or its use shall require that judicial proceedings be instituted before any items of construction can be altered or demolished.

ARTICLE VIII

Insurance

Section 8.01. Coverage. The Board of Directors on behalf of the Co-owners shall obtain, maintain and pay the premiums upon, as a Common Expense, and keep in full force and effect at all times the following insurance coverage underwritten by companies duly authorized to do business in Indiana:

(a) Casualty or physical damage insurance in an amount equal to the full replacement cost of all buildings and improvements (as hereinafter defined) and all personal property owned by the Association with "agreed amount" and "inflation guard" endorsements, without deduction or allowance for depreciation (as determined annually by the Board with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

(1) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for Common Expenses with respect to Condominium Units, during any period of repair or construction;

(ii) such other risks as are customarily covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery, explosion or damage, and such other insurance as the Board may from time to time determine.
(b) Comprehensive public liability insurance in such amounts as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of the Property or any portion thereof. Such coverage shall be for at least One Million Dollars ($1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under the insurance policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and Limited Areas, and legal liability arising out of lawsuits related to employment contracts of the Association.

(i) Such liability insurance shall contain no provisions relieving the insurer from liability for loss occurring while the hazard is increased, whether or not within the knowledge or control of the Board, or because of any breach of any warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them.

(ii) Such liability insurance shall provide that such policy may not be cancelled or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days prior written notice thereof to the Board, the Insurance Trustee, all Owners, all Mortgagors and every other Person in interest who shall have requested such notice of the insurer.

(c) Workmen's compensation and employer's liability insurance in respect to employees of the Association in the amounts and in the form necessary to comply with any applicable law.

(d) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors.

The provisions of this Section 8.01 shall not be construed to limit the power or authority of the Board to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or the Board may deem appropriate from time to time.
Section 9.02. Definition. As used in Section 8.01, the term "all buildings and improvements" means, without limitation, the Common Areas, Limited Areas, and the standard partition walls, fixtures, pipes, wires, conduits and installations installed in Condominium Units as of the date of initial sale by Declarant, as shown on the Plans as amended from time to time, and replacements thereof, but does not mean any fixtures, alterations, installations or additions in or to a Condominium Unit made by an individual Owner of that Condominium Unit and not shown on the Plans. Fixtures, equipment and other personal property inside the Condominium Unit as shown on the Plans that will be financed by a first mortgage shall be included, whether or not such property is part of the Common Area.

Section 9.03. Form. Casualty insurance shall be carried in a form or forms naming as the insured the Association for the use and benefit of the Owners according to the loss or damage to their respective Condominium Units and Percentage Interest and payable in case of loss to the Insurance Trustee. Every such policy of insurance shall:

(a) provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner;

(b) contain no provisions relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them;

(c) provide that such policy may not be cancelled or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Board, the Insurance Trustee, all Owners, all Mortgagors and every other Person in interest who shall have requested such notice of the insurer;

(d) contain a waiver by the insurer of any right of subrogation to any right of the Board or Owners against any of them or any other Person under them;

(e) provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 10 of the Declaration;
(f) provide that the policy is primary in the event an Owner has other insurance covering the same loss.

(g) contain a standard mortgagee clause which shall

(i) provide that any reference to a mortgagee in such policy shall mean and include any Mortgagor, whether or not named therein and, where applicable, name as mortgagee Federal National Mortgage Association or Federal Home Loan Mortgage Corporation or their respective successors, successors and assigns;

(ii) provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or any Owner, or any Persons under any of them;

(iii) waive any provision invalidating such mortgagee clauses by reason of the failure of any Mortgagor to notify the insurer of any hazardous use or vacancy, and requirement that the Mortgagee pay any premium thereon, and any contribution clause;

(iv) provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Insurance Trustee; and

Public liability and property damage insurance shall be carried in a form or forms naming as the insured the Board of Directors as trustee for each individual Owner, the Association, the Board of Directors, the Managing Agent, and any Person acting on behalf of the Association, and providing for payment of any proceeds therefrom to the Insurance Trustee. The Board shall promptly upon effecting such insurance deposit with each Owner a current certificate of such insurance, without prejudice to the right of any Owner to maintain additional public liability insurance for his Condominium Unit.

Section 8.04. Allocation of Insurance Proceeds. In the event of damage or destruction by fire or other cause to any part of the Property covered by insurance written in the name of the Board as trustee for Co-owners and their Mortgagees, the following provisions shall apply:

(a) Common Areas and Limited Areas. Proceeds on account of damage to Common Areas and Limited Areas shall be allocated among the Co-owners in accordance with their respective Percentage Interests.

(b) Condominium Units. Proceeds on account of damage to Condominium Units shall be allocated as follows:
8.07 The amount of such compensation shall be calculated to
be equal to the present value of the sum required to
pay the cost of any damage to the building and/or
structure to which the damage to the building and/or
structure was directly attributable to the fire or other
disaster event.

8.08 The amount of such compensation shall be calculated to
be equal to the present value of the sum required to
pay the cost of the loss of use of the building and/or
structure to which the damage to the building and/or
structure was directly attributable to the fire or other
disaster event.

8.09 The amount of such compensation shall be calculated to
be equal to the present value of the sum required to
pay the cost of the loss of business income due to the
damage to the building and/or structure to which the
damage to the building and/or structure was directly
attributable to the fire or other disaster event.
receive out of such remaining proceeds his pro-rata share thereof determined according to his Percentage Interest.

(c) Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed in accordance with Section 21 of the Act.

(d) Certificate. In making distribution to Owners and their mortgagees, the Insurance Trustee may rely upon a certificate issued by the Board as to the names of the Owners and their respective shares of the distribution, and, with respect to the names of mortgagees, may rely upon a certificate from an attorney-at-law who, or a title insurance company which, has examined the Mortgage Records in the office of the Recorder of Marion County, Indiana, as to the names of the holders of mortgages of record.

Section 8.06. Association as Owner's Agent. The Association, acting by its Board of Directors, is hereby irrevocably appointed agent for each Owner and for each Owner of a mortgage or other lien upon a Condominium Unit and for each owner of any other interest in the Property to negotiate all claims arising under insurance policies purchased by the Board, and to execute and deliver releases upon the payment of claims.

Section 8.07. Individual Policies - Recommendation of Declarant. Any Owner or Mortgagee may obtain additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Condominium Unit made or acquired at the expense of the Owner) at his own expense. Such insurance shall provide that it shall be without contribution as against the insurance maintained by the Board. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 8.03(d). If an insured loss is sustained on the Property and the amount of insurance proceeds that would otherwise be payable to the Insurance Trustee is reduced due to proration of insurance purchased pursuant to this Section, the Owner shall assign the proceeds of the personally purchased insurance, to the extent of the amount of the reduction, to the Insurance Trustee to be distributed as provided in Section 8.05. The Declarant recommends that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a policy insuring against loss or damage to personal property used or incidental to the occupancy of the Condominium Unit, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering losses to improvements and betterments to the Condominium Unit made or acquired at the expense of the Owner.
Article 9.06, Construction Funds. The funds for payment of damage to the common property may be raised by the members of the association in proportion to their interest, as determined by the board of directors. The association shall be responsible for all costs and expenses incurred in connection with the common property.

Section 9.07, Insurance. The association shall be responsible for all costs and expenses incurred in connection with the common property.

Section 9.08, Certificates. Upon request, the association shall issue certificates for payment of damage to the common property.

DAMAGE OR DESTRUCTION

Article IX

Association: The association shall be responsible for all costs and expenses incurred in connection with the common property.
enforcement. Property, property, property, property. Enforcement, enforcement, enforcement.

Section 10.06. Investigation.

The investigation of any bank or any other financial institution, or the investigation of any trust or any other financial entity, shall be conducted in accordance with the procedures set forth in this section.

Section 10.07. Reporting.

All reports of investigation shall be filed with the appropriate regulatory body within 10 days of the completion of the investigation.

Section 10.08. Enforcement.

Any person who violates any provision of this chapter shall be subject to penalties as provided by law.

ARTICLE X

Depository Trusts and Trusteed Liabilities

Sec. 9.00. Depository Trusts.

(a) The meaning of "depository trust" shall be as defined in the applicable federal banking laws.

(b) Any depository trust which fails to comply with applicable federal laws is subject to penalties as provided in this section.

Sec. 9.01. Certification.

(a) Certification of deposits in depository trusts shall be granted by the appropriate regulatory body.

(b) Certification of deposits in depository trusts shall be subject to the same conditions as for other deposit insurance programs.

Sec. 9.02. Deposit Insurance.

(a) Deposits in depository trusts shall be insured in the same manner as deposits in other depository institutions.

(b) The federal deposit insurance corporation shall be the insurer of deposits in depository trusts.
ARTICLES IX

10.04. Preparation of the Association's records,

and certified in accordance with generally accepted audit-

Section 13.01. Membership Certificates. Each Member shall automatically become a member of the Association upon delivering certificates to the Association pursuant to Section 10.04 and 10.05 of these By-Laws.

Miscellaneous

Section 13.02. Personal Interests. No Member shall have or profiteer from a personal interest in any business or investment involving the Association, except with the approval of the Board of Directors. A member who otherwise has a personal interest in the Association shall disclose such interest to the Association in writing. No Member shall be compensated from funds of the Association, except for services as its officer, director or employee, and a Member may also receive principal and interest on securities loaned or advanced to the Association as provided by law.
ARTICLES OF INCORPORATION
OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation pursuant to the provisions of the Indiana Not-For-Profit Corporation Act of 1971, executes the following Articles of Incorporation.

ARTICLE 1

Name

The name of this Corporation shall be NEWPORT BAY OWNERS ASSOCIATION, INC.

ARTICLE 2

Purposes and Powers

Section 2.01. Primary Purposes. The purposes for which this Corporation is formed are to manage, maintain, preserve, repair and reconstruct the Common Areas and Limited Areas at Newport Bay and to exercise all of the power and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration, all Supplemental Declarations and by-laws.

Section 2.02. Additional Purposes. In addition, the Corporation is formed for the promotion of the health, safety and welfare of the residents of Newport Bay and other non-profitable
have the following special powers:

Section 2(2) of the Code).

Section 2(2), Special Powers, subject to any statutory

purposes that are authorized by the Act and permitted to be

purposes that are authorized by the Act and permitted to be

pursued or to achieve the prescribed purposes,

pursued or to achieve the prescribed purposes,

pursued or to achieve the prescribed purposes,

pursued or to achieve the prescribed purposes,

pursued or to achieve the prescribed purposes,
88016605

outlets and obstructions, or the Corporation may be held to the
privileges, powers and authority, and to perform all the
Clause (m), to perform, to execute, to exercise any of the
proceedings of any such additional trust or estate as
need for the same official or whom additional trust or estate as
concludes within the meaning of or for-profits corporations, or for
Clause (n), to merge, to participate in mergers and
insolvent or bankrupt companies, or for-profit companies, or for
clause (n), to pay, to pay all common expenses.

otherwise.

Clause (o), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (p), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (q), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (r), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (s), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (t), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (u), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (v), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (w), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (x), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (y), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (z), to make a contract, to perform any contract,
other than a business act of the Corporation.
Clause (c). Prohibited Activities.

The Board of Directors shall from time to time as therefrom provided, or as may from time to time be permitted by the Act, make resolutions regarding the distribution of the Corporation's assets to the Corporation's Members or to such other persons and in such manner as shall be determined by the Board of Directors.

Section 2.04. Limitations on Powers.

Clause (d). To the extent that the Corporation is organized under the Act as a corporation for profit, there shall be no limitation on the powers of the Corporation, except as provided in this Article.

 Clause (f). To the extent that the Corporation is not organized under the Act as a corporation for profit, there shall be no limitation on the powers of the Corporation, except as provided in this Article.

Section 3.05. Books and Records.

The Corporation shall keep, or cause to be kept, at its principal place of business, or at such other place or places as the Corporation may from time to time determine, books and records of account in such form and in such manner as the Board of Directors may determine.

Section 3.06. Accounting Records.

The Corporation shall keep, or cause to be kept, at its principal place of business, or at such other place or places as the Corporation may from time to time determine, books and records of account in such form and in such manner as the Board of Directors may determine.

Section 3.07. Minutes of Meetings.

The Corporation shall keep, or cause to be kept, at its principal place of business, or at such other place or places as the Corporation may from time to time determine, minutes of all meetings of the Members, the Board of Directors, and any committees thereof.
Section 4.3. Principal Officer. The principal officer and resident agent shall continue to be appointed under Section 3.2. The Corporation shall be formed in accordance with the provisions of this Act and the Articles of Incorporation itself. If any provision of this Act or any rule of the Corporation is found to be invalid or unconstitutional, the invalid or unconstitutional provisions shall be deemed to be null and void and the remainder of this Act and the Articles of Incorporation shall continue in full force and effect. Any such invalid or unconstitutional provisions shall be deemed to be null and void and the remainder of this Act and the Articles of Incorporation shall continue in full force and effect.
the member which appointed him may appoint a successor by filling
the death, resignation or expiration of any such associate member.

written application with the secretary of the Corporation, upon

a natural person may appoint one (1) associate member by filling a

Section 5.02. Associate Membership. Each member which is not

shall be associate member.

By clause (c), Associate, Induction into the Corporation of Section 5.02

Clauses (a), (b) shall be clauses (a) and (b) above.

By the members of the board of directors and each additional director as may be appointed

Section 5.01. Clause (c), Associate, Induction into the Corporation of Section 5.02

Clauses (a), (b), (c), Clause (e), Clause (f).

Section 5.01. Clause (e), Clause (f).

have these (3) clauses of member as follows:

Section 5.01. Clause of Membership. The Corporation shall

ARTICLE 5

Incorporation, in Indiana, 46240.

of the Corporation is Allen, Indiana, 46240, and whose place or

address of the President Agent in charge of the principal office

Section 4.02. President Agent. The name and post office

Incorporation, in Indiana, 46240.

the principal office of the Corporation is 7755 Bay Shore Dr.,
A member may be expelled from membership in the corporation for any reason or reasons to be specified in the by-laws, or, at the discretion of the board of directors, for good cause or reasons stated in a written notice mailed to the member. Any member may give three days' notice in writing, addressed to the secretary, of their intention to resign or withdraw from membership in the corporation. Any member who does not attend at least three consecutive meetings of the board of directors without good reason shall be deemed to have resigned or withdrawn from membership in the corporation. Any member who is delinquent in the payment of any assessment or other fee or charge imposed by the corporation shall be deemed to have resigned or withdrawn from membership in the corporation until such delinquency is cured. Any member whose membership is terminated by the corporation shall be required to pay any amount due and owing to the corporation. Any member who is expelled or resigns from membership in the corporation shall forfeit any remaining interest in the corporation. Any member who is expelled or resigns from membership in the corporation shall not be entitled to any distribution of the assets of the corporation. Any member who is expelled or resigns from membership in the corporation shall be required to deliver to the corporation any certificate or other evidence of membership or ownership that the member may hold.
three (3), the law shall apply to the number, then the number shall be

three (3) and the maximum number shall be fifteen (15) and, if

either (3) and the maximum number, but the maximum number shall be

eight (8) to the law, but the maximum number shall be

directors of the corporation shall be elected or three (3) directors.

Section 5.01. Number of Directors. The initial board of

Directors.

ARTICLE 6

the rights of the members.

the corporation shall meet and adjourn such meetings. No other preference, privilege, or restriction with respect to

Section 5.07. No Other Preference, etc., There shall be no

meetings or adjournments shall be given to associate members, to such meetings or adjournment of eight (8) meetings as may be determined by the board of directors and

meetings shall be held at such place within the city of

Section 5.06. Meetings of Members. All meetings of the

him, and a quorum of the members may be represented by a quorum of the members or the board of directors, and voting at a

associate member may be represented without cause by a majority vote

except as otherwise provided in the by-laws, but in case the members or the board of directors, and voting at a
Corporation shall be managed by the Board of Directors subject to
Section 8.01. Management of Corporation. The affairs of the
Corporation shall be managed by the directors elected thereunto in accordance with the
bylaws of the Corporation.
ARTICLE 8
Section 8.01. Property of Corporation. The Corporation,
if any, that is not expressly transferred to another.
ARTICLE 9
Section 9.01. Statement of Property. The Corporation,
upon the incorporation, has no property of value.
Section 9.02. Property of Corporation. The Corporation,
shall be prepared as required by the Board of Directors.
ARTICLE 10
Section 10.01. Name. The name of the Corporation,
shall be Nazar Corporation.
Name
Section 10.02. Name and Address of Directors. The name
and post office address of the Directors of the Corporation as follows:
Name
Address
Name
Address
Section 10.03. Name and Post Office Address. The name
and post office address of the Director shall be as follows:
Name
Address
Section 10.04. Directors and Officers. The name
and post office address of the Directors and Officers of the Corporation shall be as follows:
Name
Address
Section 9.06. Removal of Member of the Board of Directors.

Any such director appointed by the Director shall be deemed a member of the Board of Directors.

Any such director shall hold his office for the term set forth in such appointment.

Section 9.05. Term of Office of Directors and Officers.

Each director or officer shall hold his position until a successor is appointed and qualified, or until a later date specified in the appointment.

Section 9.04. Initial Board. The Initial Board of Directors.

The Initial Board of Directors shall consist of five persons.

Section 9.03. Officers. The Officers of the Corporation

The office of President, Secretary, and Treasurer shall be held by the person or persons so elected in the manner specified in the By-Laws. The By-Laws may be amended or reorganized only in the manner specified in the By-Laws.
After the Applicable Date, any member of the Board of Directors may be removed, with or without cause, at a meeting of the Members called for such purpose by the affirmative vote of a majority of all the votes allocated to Class A members.

Section 9.07. Amendment of Articles of Incorporation. The Corporation reserves the right to amend, alter, change or repeal any provisions contained in the Articles or in any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or any amendment thereto; but such power of amendment does not authorize any amendment that would permit any part of the net earnings of the Corporation to inure to the benefit of any private individual, that would modify the provisions of Section 2.04 if such modification would have the effect of disqualifying this Corporation as an organization exempt from Federal income taxation under the provisions of Section 528 of the Code, as amended, or such equivalent provision as may hereafter exist from time to time, or that would be in conflict with the provisions of the Indiana Horizontal Property Law; provided, however, that prior to the Applicable Date, no amendment, alteration, change or repeal of these Articles may be made without the consent and approval of Declarant.

ARTICLE 10
Definitions

Section 10.01. Terms. The following terms, as used in these
...
If, under any contract or agreement, there is any provision for the payment of interest on the purchase price at the rate of 10% per annum, any undue interest term need hereinafter be subject to the provisions of the contract or agreement. If any other term exceeds the rate of time specified in the contract, it shall be deemed to be interest at the rate of 10% per annum. Any undue interest term need hereinafter be subject to the provisions of the contract or agreement.

Section 10020.6 Any undue interest term need hereinafter be subject to the provisions of the contract or agreement.
The undersigned, being the sole incorporator designated in Article 7, do hereby adopt these Articles of Incorporation, representing by his execution hereof to the Secretary of State of Indiana and all persons whom it may concern that a membership list of the Corporation for which a Certificate of Incorporation is hereby applied for has heretofore been opened and in accordance with the Act and that at least three (3) persons have signed such membership list.

IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation and verifies subject to penalties of perjury that the facts contained herein are true this 22nd day of November, 1987.

Allen L. Smith

Prepared by William T. Leland, Attorney at Law, 600 Union Federal Building, Indianapolis, Indiana 46204, (317) 665-7500

STATE or INDIANA:
COUNTY OF MARION:

-OFFICIAL-SECRETARY:

Before me, the undersigned, a Notary Public in and for said County and who has heretofore appeared before me and has been duly sworn to that effect, I have examined the said Articles of Incorporation and the signature of the incorporator and declare that the undersigned is the person who has signed the same.

Witnesses: John A. Smith

By commission expired: April 26, 1984

WITNESS by hand and seal: Seal this 3rd day of November, 1987.

Made in Marion County, Ind.
NOW, THEREFORE, the Code of By-Laws of Newport Bay Owners Association, Inc., which is applicable to all Co-Owners and members within

of Newport Bay Owners Association, Inc., is hereby amended and restated, and

WHEREAS, the Co-Owners of said Community have consented to and agreed with the amendments as set forth in this Resolution;

WHEREAS, the annual meeting of the Co-Owners and the Newport Bay Owners Association,

WHEREAS, the original Code of By-Laws of Newport Bay Owners Association, Inc., was adopted on the 7th day of October, 1999.

WHEREAS, the By-Laws of Newport Bay Owners Association, Inc., were restated and amended as set forth in this Resolution:

WHEREAS, the Newport Bay Owners Association, Inc., was incorporated under the laws of the State of California and is a "Condominium Association," as defined in Section 110 of the Code of By-Laws.
Newport Bay is hereby amended and extended pursuant to the terms below.
<table>
<thead>
<tr>
<th>Article</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>1.01</td>
<td>Identification and Adoption</td>
</tr>
<tr>
<td></td>
<td>1.02</td>
<td>Additional Definitions</td>
</tr>
<tr>
<td></td>
<td>1.03</td>
<td>Individual Application</td>
</tr>
<tr>
<td>II</td>
<td>2.01</td>
<td>Meetings of the Association</td>
</tr>
<tr>
<td></td>
<td>2.02</td>
<td>Annual Meetings</td>
</tr>
<tr>
<td></td>
<td>2.03</td>
<td>Special Meetings</td>
</tr>
<tr>
<td></td>
<td>2.04</td>
<td>Conduct of Meetings</td>
</tr>
<tr>
<td></td>
<td>2.05</td>
<td>Voting</td>
</tr>
<tr>
<td></td>
<td>2.06</td>
<td>Waiver of Notice</td>
</tr>
<tr>
<td></td>
<td>2.07</td>
<td>Written Ballots</td>
</tr>
<tr>
<td></td>
<td>2.08</td>
<td>Quorum</td>
</tr>
<tr>
<td>III</td>
<td>3.01</td>
<td>Board of Directors</td>
</tr>
<tr>
<td></td>
<td>3.02</td>
<td>Additional Qualifications</td>
</tr>
<tr>
<td></td>
<td>3.03</td>
<td>Term of Office and Vacancy</td>
</tr>
<tr>
<td></td>
<td>3.04</td>
<td>Removal of Directors and Officers</td>
</tr>
<tr>
<td></td>
<td>3.05</td>
<td>Powers of the Board of Directors</td>
</tr>
<tr>
<td></td>
<td>3.06</td>
<td>Limitation on Board Action</td>
</tr>
<tr>
<td></td>
<td>3.07</td>
<td>Indemnification of Directors and Officers</td>
</tr>
<tr>
<td></td>
<td>3.08</td>
<td>Meetings</td>
</tr>
<tr>
<td></td>
<td>3.09</td>
<td>Action Without a Meeting</td>
</tr>
<tr>
<td></td>
<td>3.10</td>
<td>Waiver of Notice</td>
</tr>
<tr>
<td></td>
<td>3.11</td>
<td>Bond</td>
</tr>
<tr>
<td></td>
<td>3.12</td>
<td>Officers of the Association</td>
</tr>
<tr>
<td></td>
<td>3.13</td>
<td>Election of Officers</td>
</tr>
<tr>
<td></td>
<td>3.14</td>
<td>The President</td>
</tr>
<tr>
<td></td>
<td>3.15</td>
<td>The Vice President</td>
</tr>
<tr>
<td></td>
<td>3.16</td>
<td>The Secretary</td>
</tr>
<tr>
<td></td>
<td>3.17</td>
<td>The Treasurer</td>
</tr>
<tr>
<td></td>
<td>3.18</td>
<td>Assistant Officers</td>
</tr>
<tr>
<td>IV</td>
<td>4.01</td>
<td>Maintenance, Repairs and Replacements</td>
</tr>
<tr>
<td></td>
<td>4.02</td>
<td>Right of Entry</td>
</tr>
<tr>
<td></td>
<td>4.03</td>
<td>Alteration and Amendments</td>
</tr>
<tr>
<td></td>
<td>4.04</td>
<td>Title, Seal and Mergers</td>
</tr>
<tr>
<td></td>
<td>4.05</td>
<td>Change of Name Acceptance of Mergers</td>
</tr>
<tr>
<td></td>
<td>4.06</td>
<td>Costs and Attorney Fees</td>
</tr>
<tr>
<td>V</td>
<td>5.01</td>
<td>Maintenance, Repairs and Replacements</td>
</tr>
<tr>
<td></td>
<td>5.02</td>
<td>Right of Entry</td>
</tr>
<tr>
<td></td>
<td>5.03</td>
<td>Alteration and Amendments</td>
</tr>
<tr>
<td></td>
<td>5.04</td>
<td>Title, Seal and Mergers</td>
</tr>
<tr>
<td></td>
<td>5.05</td>
<td>Change of Name Acceptance of Mergers</td>
</tr>
<tr>
<td></td>
<td>5.06</td>
<td>Costs and Attorney Fees</td>
</tr>
</tbody>
</table>
ARTICLE I. IDENTIFICATION AND ADOPTION

NEWPORT BAY OWNERS ASSOCIATION INC.

AND OF

NEWPORT BAY HORIZONTA PROPERTY REGIME

CODE OF BY-LAWS OF

AMENDED AND RESISTED

9/27/99
(b) "Special Assessment" means the Assessment levied pursuant to Section 6.03.

(i) "Statute" means the Indiana Nonprofit Corporation Act of 1991, as the same may be amended from time to time.

Section 6.03. Individual Application. All of the Owners, tenants, guests and invitees, or any other person that might use or occupy a Condominium Unit or any part of the Property, shall be subject to the restrictions, terms and conditions set forth in the Declaration, these By-Laws and the Act, and to any rules and regulations adopted by the Board as herein provided.
Section 2.2. Voting

Notice of such meeting:

The Board of Directors of the Association, by a resolution of its Board of Directors in accordance with Section 7.6 of the By-Laws, hereby determines the time and place at which a meeting of the Board of Directors will be held. The notice shall be given to each Director at least 10 days before the date fixed for the holding of such meeting, and shall be given personally or by mail or any other means of communication at the address of the Director as it shall be given to the Secretary of the Association in writing. The notice, if mailed, shall be addressed to the Secretary of the Association, and shall state the purpose of the meeting and the place at which it will be held. The notice shall be mailed not less than 10 days before the date fixed for the holding of such meeting.

Section 2.3. Special Meetings

A special meeting of the Members may be called by the President or the Secretary, or by a majority of the Members.

Section 2.4. Quorum

A quorum at any meeting of the Members shall be comprised of a majority of the Members, and any action taken at such meeting shall be valid if such quorum is present at the meeting.

Section 2.5. Notice

A notice of a meeting of the Members shall be given to each Member at least 10 days before the date fixed for the holding of such meeting.

Section 2.6. Conduct of Meetings

The President or, in his absence, the Secretary, shall preside at all meetings of the Members. All questions shall be decided by a majority vote of the Members present at the meeting, and each Member present shall have one vote.

Section 2.7. Amendments

This By-Law may be amended by a vote of the Members present at any meeting of the Members, provided that such amendment is approved by a majority of the Members present at the meeting.

Section 2.8. Dissolution

The Association may be dissolved by a vote of the Members present at any special meeting of the Members called for the purpose of dissolving the Association.
Proposed budget for the next year.

Conservation: The conservation of the Association and the promotion and development of the environment.

Section 2. Conduct of Meetings

(a) Notice of Meetings. The Secretary shall give notice of the meetings of the Association.

(b) Quorum. Except where otherwise expressly provided in the Constitution these By-Laws or the notice of the meeting, a majority of the members shall constitute a quorum at all meetings of the Association.

(c) Minutes. Minutes of all meetings of the Association shall be kept by the Secretary and shall be distributed to the members at the next meeting.

(d) Votable Actions. All actions shall be taken by a majority vote of the members present and voting unless otherwise provided in the Constitution or By-Laws.

(e) Voting Procedures. Any action taken by a majority vote of the members present and voting shall be valid.

(f) Adjournment. The President may adjourn the meeting from time to time until a quorum is present.

(g) Recording of Minutes. The Secretary shall record the proceedings of the meeting and keep a record of all votes taken.

(h) Amendments. Amendments to these By-Laws may be made at any regular meeting or special meeting of the Association.
(3) Budge. The proposed budget for the next fiscal year shall be presented to the Owners for approval or amendment.

(4) Election of Board of Directors. Nominations for the Board may be made by any Owner from those Persons eligible to serve. Such nominations must be in writing and presented to the Secretary at least seven (7) days prior to the date of the annual meeting. Voting for the Board will be by paper ballots. The ballot shall contain the name of each Person nominated to serve as a member of the Board. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected. However, he shall not be entitled to cumulate his votes. Those Persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot.

(5) Other Business. Other business may be brought before the meeting only by the Secretary of the Board of Directors or upon a written request of an Owner submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting. Any such written request may be waived at the meeting if agreed to by a Majority Vote.

(b) Special Meetings. The President shall act as chairman of any special meetings of the Association if he is present. The chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be the matters for which such meeting was called, as set forth in the notice of such special meeting. Written ballots may be utilized in the manner prescribed in the Statute.
be limited.

Sec. 23. Notice of the Elected Directors. The Board shall provide for the dissemination of notice of the Elected Directors to the members of the Association.

Sec. 24. Removal of Directors. A Director may be removed with or without cause by a majority vote of the Owners at a special meeting of the Owners called and conducted for that purpose. In such case, the successor shall be elected at the annual meeting of the Owners or by a majority vote of the Owners at a special meeting of the Owners called and conducted for that purpose.

Sec. 25. The Officers of the Association. The Officers of the Association shall be elected at the annual meeting of the Association and shall hold office until the annual meeting of the Association following their election.

ARTICLE III

Board of Directors

Section 1. Formation. The Board of Directors shall be formed and managed by the Board of Directors of the Association and Neponset Day shall be governed

Section 2. Organization. The Board of Directors shall be constituted by

ARTICLE IV

Section 1. Uniformitarianism.
(d) landscaping, painting, decorating, furnishing, maintaining and repairing the Common Areas and appurtenant, the Limited Areas;
(e) surfacing, paving and maintaining drives, parking areas, and sidewalks;
(f) washing and cleaning of exterior window surfaces of the Condominium Units;
(g) preparing and delivering annually to the Owners a full account of all receipts and expenses incurred in the prior year;
(h) preparation of the proposed annual budget; and
(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; and

(a) preparing and delivering annually to the Owners a full account of all receipts and expenses incurred in the prior year;
(b) preparation of the proposed annual budget; and
(c) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; and

Section 3.06 Powers of the Board of Directors. The Board shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a Managing Agent to assist the Board in performing its duties;
order to legally constitute each meeting it is gathered in present.

provision being made of notice and no notice shall be necessary to any newly elected Director in

of organization, election of officers and consideration of any other business that may properly be

(e) Organization Meeting: The Board shall meet during January of each for the purpose

Section 3.0 Meeting

be a common expense.

Management fees shall be entitled to reasonable compensation for the services of which shall

Director elected to such election in any way to be deemed elected by a majority vote of the Owners. The

Director elected to such election in any way to be deemed elected by a majority vote of the Owners. The

Section 2.0 Compensation: No Director shall receive any compensation for the services as a

Section 4.0 Compensation: No Director shall receive any compensation for the services as a

reasonable belief that is determined time to call a meeting of the Owners.

required or necessary to deal with emergency conditions in which the Board

and

By doing so the total budget will not be increased, and

reduces the funds in the budget to the level at which total budget funds are not exceeded and

The budget may not be approved by the Owners at such annual meeting. The Board may also

amount budget as approved by the Owners at the annual meeting. However, specific items within

approved contracts and proposed expenditures expressly set forth in the proposed

(b) Proceedings actually received.

deemed or considered by the Owners or others are prohibited of insurance

(c) contracts or agreements to restrain or restrict the commerce across or limited areas.

(d) not be necessary.

(e) proceedings actually received.

Section 3.0 Limitation on Board Action: The authority of the Board to enter into contracts

1 to use, occupancy, operation and enjoyment of the Property

(f) to enter into contracts or agreements to restrain or restrict the commerce across or limited areas.

(g) All of such contracts and agreements shall be in accordance with the laws of the state of Texas and

(h) to conduct and maintain a book account of accounts in the name of the Association and

(i) all the costs incurred in the construction of the Association and its

(j) to include the costs of all the above and recognizing Common Expenses and to pay

Section 4.0 Limitation on Board Action: The authority of the Board to enter into contracts

1 to use, occupancy, operation and enjoyment of the Property

(f) to enter into contracts or agreements to restrain or restrict the commerce across or limited areas.

(g) All of such contracts and agreements shall be in accordance with the laws of the state of Texas and

(h) to conduct and maintain a book account of accounts in the name of the Association and

(i) all the costs incurred in the construction of the Association and its
Section 3.2. Information of Directors. To the extent not otherwise provided in these Articles, the Board shall cause notice of the Annual Meeting of the Directors to be given to each Director and to each Director who shall be a holder of outstanding shares of stock of the Corporation, and each Director shall also be entitled to receive a copy of the Committee Reports for the year prior to the Annual Meeting of the Directors.

Section 3.3. Standards of Conduct and Liability of Directors and Officers. The Board and the Directors and Officers are expected to carry out their duties with the highest degree of loyalty and integrity.

Section 3.4. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum.

Section 3.5. Action Without a Meeting. Any action required or permitted by the Bylaws to be taken at a meeting of the Directors may be taken without a meeting if a written consent setting forth the action taken is signed by all Directors and filed with the Bylaws of the Corporation.

Section 3.6. Dissolution. The Corporation shall be dissolved by a vote of the Directors and the action of the Directors shall be final.

Section 3.7. Voting Rights of Directors and Officers. The voting rights of Directors and Officers shall be determined by the vote of the Directors and Officers.

Section 3.8. Special Meetings. Special meetings of the Board may be called at any time by a majority of the Directors.

Section 3.9. Regular Meetings. Regular meetings of the Board may be held at such time and place and at any time there within the Mission County, Indiana, and such meeting shall be held at such place and at any time there within the Mission County, Indiana, as the Directors shall determine.

Section 3.10. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of any meeting of the Board and any action taken at such meeting may be ratified without notice.

Section 3.11. Action Without a Meeting. Any action required or permitted by the Bylaws to be taken at a meeting of the Directors may be taken without a meeting if a written consent setting forth the action taken is signed by all Directors and filed with the Bylaws of the Corporation.

Section 3.12. Dissolution. The Corporation shall be dissolved by a vote of the Directors and the action of the Directors shall be final.

Section 3.13. Standards of Conduct and Liability of Directors and Officers. The Board and the Directors and Officers are expected to carry out their duties with the highest degree of loyalty and integrity.

Section 3.14. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum.

Section 3.15. Action Without a Meeting. Any action required or permitted by the Bylaws to be taken at a meeting of the Directors may be taken without a meeting if a written consent setting forth the action taken is signed by all Directors and filed with the Bylaws of the Corporation.

Section 3.16. Dissolution. The Corporation shall be dissolved by a vote of the Directors and the action of the Directors shall be final.

Section 3.17. Standards of Conduct and Liability of Directors and Officers. The Board and the Directors and Officers are expected to carry out their duties with the highest degree of loyalty and integrity.

Section 3.18. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum.

Section 3.19. Action Without a Meeting. Any action required or permitted by the Bylaws to be taken at a meeting of the Directors may be taken without a meeting if a written consent setting forth the action taken is signed by all Directors and filed with the Bylaws of the Corporation.

Section 3.20. Dissolution. The Corporation shall be dissolved by a vote of the Directors and the action of the Directors shall be final.
Section 1.6 Transacting Involving Affiliates

Transactions involving Affiliates. No contract or other transactions between the Association and a Director or any Person (including any shareholding of the Association in which one or more of the Directors are directors, officers, partners, or employees of the Association, or otherwise, or an affiliate of the Association, or otherwise, or an affiliate of such Director or Directors are present at the meeting of the Board that authorizes, approves, or ratifies such contract or transaction, or because his or her votes are counted for such purpose, or

(a) the fact of the affiliation or interest is disclosed or known to the Board and the Board, at the meeting of the Board that authorizes, approves, or ratifies such contract or transaction, or because his or her votes are counted for such purpose, or

(b) the fact of the affiliation or interest is disclosed or known to the Co-owner's and the Board, at the meeting of the Board that authorizes, approves, or ratifies such contract or transaction, or because his or her votes are counted for such purpose, or

(c) the fact of the affiliation or interest is disclosed or known to the Co-owner's and the Board, at the meeting of the Board that authorizes, approves, or ratifies such contract or transaction, or because his or her votes are counted for such purpose, or

Section 1.7 Bonds. Blanket fidelity bonds shall be maintained. The Managing Agent shall be required to maintain a blanket fidelity bond covering all funds of, or held or administered by the Association, and the Association shall be named as an additional obligee. Such fidelity bond shall name the Association as an obligee and shall not be less than the estimated maximum funds on deposit with the Association or Managing Agent at any one time during the term of such bond. In no event, however, may the aggregate amount of such bonds be less than the sum of the estimated maximum funds on deposit with the Association or Managing Agent at any one time during the term of such bond. The bonds shall contain waiver by the insureds of all defenses and all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or by the exclusion of persons serving without compensation from the definition of "employees." The bonds may be canceled or substantially modified without notice to the Association, the Insurance Trustee and each owner of the Property.
Section 4. The President. The President shall be elected from among the Directors and shall perform all duties incumbent upon the President and shall keep a record of the minutes of the Association and the Board and shall have the power to execute all lawful purposes of the Association and all other purposes for which the Board may authorize. The President shall also perform such duties as are prescribed by the By-Laws.

Section 5. The Vice-President. The Vice-President shall be elected from among the Directors and shall assume the duties of the President in case of the President's absence or incapacity.

Section 6. The Secretary. The Secretary shall keep a record of all meetings of the Association and the Board and shall keep a record of all the minutes of the Association and the Board and shall have the power to execute all lawful purposes of the Association and all other purposes for which the Board may authorize.

Section 7. The Treasurer. The Treasurer shall keep a record of all receipts and disbursements of the Association and the Board and shall have the power to execute all lawful purposes of the Association and all other purposes for which the Board may authorize.

Section 8. The Directors. The Directors shall be elected from among the members of the Association and shall have the power to execute all lawful purposes of the Association and all other purposes for which the Board may authorize.

Section 9. The Ethics of the Officers. The officers of the Association shall be elected annually by the Board.

Section 10. The Conversion of the Board. Any two of the Directors may be removed by the Board at any time by a majority vote of the Directors.

Section 11. The By-Laws. The By-Laws of the Association shall be adopted by the Board.
Section 4.07. Assistant Officers. The Board may, from time to time, designate and elect from among the Members as Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board may prescribe.
Section 5.05 Right of First refusal of the Board of Directors. The Board of Directors, the Managing Agent or any other representative of the Association, to enter into each individual Association or the purposes of the Association, shall enter upon the premises of the Association, or in cases of emergency in which entry is necessary to prevent damage to the Association, to enter upon the premises of the Association, or in cases of emergency in which entry is necessary to prevent damage to the Association, as deemed necessary by the Board of Directors, the Managing Agent or any other representative of the Association.

Theızı Board of Directors may adopt rules and regulations concerning maintenance, repair, use, and enjoyment of the Common Areas and Limited Areas (as defined in Sections 6 and 7 of the Declaration). The Board of Directors shall have sole and exclusive authority over the appearance of the Common Areas and Limited Areas.

In all respects as provided in Section 6 of this Declaration, the assessment shall become due and payable and a lien shall be created with respect to the Common Areas and Limited Areas.

The Board of Directors shall have the right to enter upon the premises of the Association for the purpose of maintaining or repairing the Common Areas or Limited Areas.

In the event that a majority of any Committee (as defined in this Declaration) is reasonably necessary in the exercise of the power to undertake such work, the Board of Directors shall have the power to enter upon the premises of the Association for the purpose of maintaining or repairing the Common Areas, Limited Areas or to preserve the appearance of the property.

The Board of Directors shall have the right to enter upon the premises of the Association for the purpose of maintaining or repairing the Common Areas or Limited Areas.
Section 2.01 Local and Administrative Fees

In the event of any dispute or controversy arising from the provisions in this document, the Association shall have the exclusive right to determine the appropriate course of action to be taken by the Association.

Section 2.02 Amendments

This document may be amended from time to time by the Association, and any amendments shall be binding on all members of the Association.

Section 2.03 Enforcement

Failure to comply with any provision of this document may result in legal action by the Association to enforce compliance.

Section 2.04 Real Estate Taxes

Real estate taxes shall be paid by the owners of the properties affected.

Section 2.05 Legal Fees

Legal fees incurred in the course of enforcing this document shall be borne by the Association.

Section 2.06 Limitation on Liability

The Association shall not be liable for any losses suffered by any party as a result of any act or omission by the Association.
ARTICLE VI

Assessments

Section 6.01. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board shall cause to be prepared a proposed annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments for the next fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a Majority Vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall include the amounts required for funding the reserve accounts required by Section 6.04 and 6.05. The failure or delay of the Board to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined.

Section 6.02. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash required for the Common Expenses in the next fiscal year and required reserve amounts as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Condominium Unit. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as herein above provided. The Regular Assessment against each Condominium Unit shall be paid in advance in equal monthly installments, commencing on the first day of the first month of each fiscal year and monthly thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors, provided, however, Owners may elect to pay monthly assessments in advance.

The Regular Assessments shall be payable in advance and shall commence at the time of closing and delivery of deed. In computing the initial payment the amount of the Regular Assessments shall be calculated by apportioning the payment based upon a thirty (30) day month until the due date for payment of the next Regular Assessment occurs.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Condominium Unit as of the first day of each fiscal year of the Association, even though the final determination of the amount of such Regular Assessment may not have been made by that

- 15 -

10/27/99
date. Installments of Regular Assessments shall be due and payable automatically on their respective
due dates without any notice from the Board or the Association, and neither the Board nor the
Association shall be responsible for providing any notice or statement to Owners for the same.

Section 6.03. Special Assessments. From time to time Common Expenses of an unusual or
extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of
the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of
Directors shall have the full right, power and authority to make special assessments which, upon
resolution of the Board, shall become a lien on each Condominium Unit, prorated in accordance with
the Percentage Interest of each Condominium Unit. Without limiting the generality of the foregoing
provisions, Special Assessments may be made by the Board of Directors from time to time to pay for
capital expenditures or to pay for the cost of any repair or reconstruction of damage caused by fire or
other cause or disaster to the extent insurance proceeds are insufficient therefor under the
circumstances described herein or in the Declaration.

Section 6.04. Reserve for Replacements. The Board of Directors shall cause to be established
and maintained a reserve fund for replacements by the allocation and payment to such reserve fund not
less often than annually of an amount determined by the Board to be sufficient to meet the costs of
periodic maintenance, repair, renewal and replacement of the Common Areas and Limited Areas,
including, but not limited to, painting the exterior of buildings, repairing or replacing the recreational
facilities, and resurfacing, repairing or replacing streets, parking areas, sidewalks, roofs and other
facilities and appurtenances. In determining the amount, the Board shall take into consideration the
expected useful life of such Common Areas and Limited Areas, projected increases in the cost of
materials and labor, interest to be earned by such funds, and the advice of, the Managing Agent and
any consultants the Board may employ. Such fund shall be conclusively deemed to be a Common
Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan
association authorized to conduct business in Marion County, Indiana. The reserve for replacements
may be expended only for the purpose of effecting the periodic maintenance, repair, renewal or
replacement of the Common Areas and Limited Areas and equipment of the Property. The Board
shall annually review the adequacy of the reserve fund. The proportionate interest of any Owner in
any reserve for replacements shall be considered an appurtenance of his Condominium Unit and shall
not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium
Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.05. General Operating Reserve. The Board of Directors may establish and maintain a
reserve fund for general operating expenses of a non-recurring nature by the allocation and payment to
such reserve fund of such amount as the Board in its discretion determines to be reasonable under the
circumstances. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be
deposited in an interest bearing account with a bank or savings and loan association authorized to
conduct business in Marion County, Indiana. The general operating reserve may be expended only for
operating contingencies of a non-recurring nature. The proportionate interest of any Owner in any
reserve fund for general operating expenses shall be considered an appurtenance of his Condominium
Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the
Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium
Unit.
Section 6.06 Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and, in the proper case, of the Limited Areas, of the Buildings, and toward any other expenses lawfully agreed upon, by waiver of the use of enjoyment of the Common Areas or by abandonment of the Condominium Unit belonging to him. Each Owner shall be personally liable for the payment of his Percentage Interest of all Assessments. Where the Owner constitutes more than one person, the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Assessment when due, a lien for such Assessment of the Owner's Condominium Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by law, provided, however, any lien for delinquent Assessments or other charges that the Association has on a Condominium Unit will be subordinate to a first mortgage on the Condominium Unit. In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Condominium Unit, and the Board shall be entitled to the appointment of the receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Assessment without foreclosing or waiving the lien securing the same. In any action to recover an Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Condominium Unit.

Upon the failure of an Owner to make payments of any Regular or Special Assessments within ten (10) days after such are due, the Board, in its discretion, may:

(a) impose a late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board of up to five percent (5%) of the amount of the Assessment; provided, however, that in no event shall the late charge be less than Twenty-Five Dollars ($25.00);

(b) accelerate the entire balance of the unpaid Assessments for the remainder of the fiscal year and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary;

(c) suspend such Owner's right to use the recreational facilities within Newport Bay as provided in the Statute, and

(d) suspend such Owner's right to vote as provided in the Statute.

Section 6.07 Waiver of Lien Upon Foreclosure. Notwithstanding anything to the contrary contained in the Declaration and these By-Laws, any sale or transfer of a Condominium Unit to a Mortgagee pursuant to a foreclosure of its mortgage or conveyance in lieu thereof, or a conveyance to any Person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Assessment as to such installments that became
due prior to such sale, transfer or conveyance, but extinguishment of such lien shall not relieve the prior Owner from personal liability therefor. No such sale, transfer or conveyance shall relive the Condominium Unit or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Assessments thereafter becoming due or from the lien therefore. Such unpaid share of any Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the Condominium Unit from which it arose), as provided in the Act.
ARTICLE VII

Restriction, Entry and Rules and Regulations

Section 7.01. Restrictions on Use. The following restrictions on the use and enjoyment of the Condominium Units, Common Areas, Limited Areas and the Property shall be applicable to Newport Bay:

(a) All Condominium Units shall be used exclusively for residential purposes and for occupancy by a single family all as permitted under local zoning ordinances. "Single Family" is defined as a single housekeeping unit, operating on a nonprofit, non-commercial basis between its occupants with a common kitchen and dining area.

(b) No additional buildings shall be erected or located on the Tract other than the Buildings designated in the Declaration, or a supplement or amendment to the Declaration, and shown on the Plans or plans filed with such a supplement or amendment to the Declaration, without the consent of the Board of Directors.

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

(d) No nuisance shall be permitted, including without limitation any activities which are unsafe or hazardous with respect to any person or property, and no waste shall be committed in any Condominium Unit, Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls or balcony of any Building, and no sign, awning, canopy, shutter, radio or television antenna, satellite dish or other attachment or thing shall be affixed to or be placed upon the exterior wall or roofs or any other parts of any Building without the prior written consent of the Board. Interior window and door drapes or coverings shall be of a neutral translucent color and texture or of the same color of the exterior facade surrounding the window or door.

(f) Nothing shall be done or permitted in any Condominium Unit that will impair the structural integrity of any Building or that would structurally change any Building or that would affect the exterior appearance of any Condominium Unit, except as otherwise provided in the Declaration or these By-Laws. No Condominium Unit shall be used in any unlawful manner or in any manner that might cause injury to the reputation of Newport Bay or that might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Condominium Units or neighboring property, including without limiting the generality of the foregoing, noise
by the use of any loud speakers, electrical equipment, amplifiers or other equipment or machines
or loud person, and objectionable odors.

(g) The Common Areas and Limited Areas shall be kept free and clear of rubbish, debris
and other unsightly materials. No clothes, sheets, blankets, rugs, laundry or other things shall be
hung out or exposed on any part of the Common Areas or Limited Areas.

(h) All Owners, guests, tenants or invitees, and all occupants of any Condominium Unit
or other Persons entitled to use the same and to use and enjoy the Common Areas and Limited
Areas or any part thereof, shall observe and be governed by such rules and regulations as may
from time to time be promulgated and issued by the Board governing the operation, use and
enjoyment of the Condominium Units and Common Areas and Limited Areas; including but not
limited to rules relating to the keeping of animals, the parking or storage of vehicles or trailers
and other matters incidental to the use of the Common Areas and Limited Areas.

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

(j) No Owner shall be allowed to place or cause to be placed in the Common or Limited
Area lobbies, vestibules, stairways, hallways, garages, swimming pool area, exercise room,
workroom, or areas of a similar nature and used for a similar purpose, any furniture or objects of
any kind, without the consent of the Board.

(k) All garbage, trash and refuse shall be stored in appropriate containers inside the
Condominium Unit (including the garage) or in an inconspicuous place with the Limited Area
appurtenant thereto and shall be kept therein until no earlier than sundown of the evening before
scheduled trash collection. In the event trash chutes are provided within the Building then such
chute shall be used by the Owners in a clean and sanitary manner that does not clutter the
flooring and discharge point into the chute. In the event such garbage, trash or refuse is too
bulky to place within the trash chute then garbage, trash and refuse shall be placed in sealed
disposable plastic bags or other containers approved by the Board for scheduled trash collection
and shall be placed at such locations for trash collection as are designated by the Board.

(l) No "for sale," "for rent" or "for lease" signs or other advertising display shall be
maintained or permitted on the property without the prior written consent of the Board except
one "for sale" sign not to exceed 12 inches by 16 inches may be placed inside one window of a
unit.

(m) Common Areas and Limited Areas shall be used only for the purposes for which they
are designed and intended, and shall be used subject to the provisions of the Declaration, these
By-Laws and the rules and regulations from time to time adopted by the Board.

(n) No use shall be made of any part of the Real Estate which violates, and all Owners,
members of their families, their guests, tenants, invitees and all occupants or other Persons
entitled to use or who may use any part of the Real Estate, shall at all times fully comply with,
the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained
and described in the Commitments Relative to Use or Development of Real Estate dated January
10, 1983, and recorded January 31, 1983, as Instrument No. 83-6821 in the Office of the
Recorder of Marion County, Indiana.

(o) The Association shall have no right of first refusal to purchase any Condominium Unit
which an Owner wishes to sell and an Owner may sell his/her Condominium Unit free of any
such restriction.

(p) No industry, business, manufacturing, mercantile, storing, trade, or any commercial or
religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be
conducted, practiced or permitted on the Property; provided, however, that an Owner may
maintain an office or home business in the Condominium Unit if: (1) such office or business
generates no significant number of visits or unreasonable parking usage (both as determined by
the Board) by clients, customers or other persons related to the business; (2) no equipment or
other items related to the business are stored, parked or otherwise kept outside such Owner's
Condominium Unit; (3) there are no employees or independent contractors within the
Condominium Unit other than the Owner or other resident; (4) such Owner has obtained
approvals for such use as may be required by the appropriate local and state governmental
agencies; and (5) all other provisions of these By-Laws, the Declaration and the rules and
regulations are complied with. The Board may require the Owner to pay any increase in the rate
of insurance or other costs for the Association which may result from such use. No
Condominium Unit shall be used or rented for transient, motel or hotel purposes.

Section 7.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate
such rules and regulations regarding the operation of the Property, including but not limited to the use
of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules
as are adopted may be amended by a vote of a majority of the Board. The Board shall cause copies of
such rules and regulations and all amendments thereto to be delivered or mailed promptly to all
Owners.

Section 7.03. Enforcement. The Association and any of its members shall have the right of
enforcement of all restrictions and regulations adopted pursuant to this Article VII. Any costs
including reasonable attorneys fees may be recovered from any Owner for violation thereof; however,
any reservation of right to the use of summary abatement or similar means to enforce restrictions
against a Condominium Unit or its use shall require that judicial proceedings be instituted before any
items of construction can be altered or demolished.
ARTICLE VIII

Insurance

Section 8.01. Coverage. The Board of Directors on behalf of the Co-owners shall obtain, maintain and pay the premiums upon, as a Common Expense, and keep in full force and effect at all times the following insurance coverage underwritten by companies duly authorized to do business in Indiana:

(a) Casualty or physical damage insurance in an amount equal to the full replacement cost of all buildings and improvements (as hereinafter defined) and all personal property owned by the Association with "agreed amount" and "inflation guard" endorsements, without deduction or allowance for depreciation (as determined annually by the Board with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

(1) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for Common Expenses with respect to Condominium Units, during any period of repair or construction;

(2) Such other risks as are customarily covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery, explosion or damage, and such other insurance as the Board may from time to time determine.

(b) Comprehensive public liability insurance in such amounts as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of the Property or any portion thereof. Such coverage shall be for at least One Million Dollars ($1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under the insurance policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and Limited Areas, and legal liability arising out of lawsuits related to employment contracts of the Association.

(1) Such liability insurance shall contain no provisions relieving the insurer from liability for loss occurring while the hazard is increased, whether or not within the knowledge or control of the Board, or because of any breach of any warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them.

(2) Such liability insurance shall provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer
giving at least thirty (30) days prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer.

(c) Workmen's compensation and employer's liability insurance in respect to employees of the Association in the amounts and in the form necessary to comply with any applicable law.

(d) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors.

The provisions of this Section 8.01 shall not be construed to limit the power or authority of the Board to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or the Board may deem appropriate from time to time.

Section 8.02. Definition. As used in Section 8.01, the term "all buildings and improvements" means, without limitation, the Common Areas, Limited Areas, and the standard partition walls, fixtures, pipes, wires, conduits and installations installed in the Condominium Units as of the date of initial sale by Declarant, as shown on the Plans as amended from time to time, and replacements thereof, but does not mean any fixtures, alterations, installations or additions in or to a Condominium Unit made by an individual Owner of that Condominium Unit and not shown on the Plans. Fixtures, equipment and other personal property inside the Condominium Unit as shown on the Plans that will be financed by a first mortgage shall be included, whether or not such property is part of the Common Area.

Section 8.03. Form. Casualty insurance shall be carried in a form or forms naming as the insured the Association for the use and benefit of the Owners according to the loss or damage to their respective Condominium Units and Percentage Interest and payable in case of loss to Association. Every such policy of insurance shall:

(a) provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner;

(b) contain no provisions relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach or warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them;

(c) provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer;
(d) contain a waiver by the insurer of any right of subrogation to any right of the Board or Owners against any of them or any other Person under them;

(e) provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 10 of the Declaration;

(f) provide that the policy is primary in the event an Owner has other insurance covering the same loss.

(g) contain a standard mortgagee clause which shall

(1) provide that any reference to a mortgagee in such policy shall mean and include any Mortgagee, whether or not named therein and, where applicable, name as mortgagee Federal National Mortgage Association or Federal Home Loan Mortgage Corporation or their respective successors, successors and assigns;

(2) provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or any Owner, or any Persons under any of them;

(3) waive any provision invalidating such mortgagee clauses by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the Mortgagee pay any premium thereon, and any contribution clause;

(4) provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association; and

Public liability and property damage insurance shall be carried in a form or forms naming as the insured the Board of Directors as trustee for each individual Owner, the Association, the Board of Directors, the Managing Agent, and any Person acting on behalf of the Association, and providing for payment of any proceeds therefrom to the Association. The Board shall promptly upon effecting such insurance deposit with each Owner a current certificate of such insurance, without prejudice to the right of any Owner to maintain additional public liability insurance for his Condominium Unit.

Section 8.04 Allocation of Insurance Proceeds. In the event of damage or destruction by fire or other cause to any part of the Property covered by insurance written in the name of the Board or Association as trustee for Co-owners and their Mortgagees, the following provisions shall apply:

(a) Common Areas and Limited Areas. Proceeds on account of damage to Common Areas and Limited Areas shall be allocated among the Co-owners in accordance with their respective Percentage Interests.

(b) Condominium Units. Proceeds on account of damage to Condominium Units shall be allocated as follows:
(1) If the Building in which the damaged Condominium Unit is located is to be restored, insurance proceeds shall be allocated to such Condominium Unit in the proportion that the cost of Restoration of such Condominium bears to the cost of Restoration of all damaged Condominium Units, such cost to be determined by the Board. In determining such cost, the Board shall not take into consideration the cost of repairing any items specifically excluded from insurance coverage pursuant to the provisions of Section 8.02.

(2) If the Building in which the damaged Condominium Unit is located is not to be restored, insurance proceeds shall be allocated to such Condominium Unit in accordance with the agreed amount of the replacement cost of such Condominium Unit.

(3) In the event a mortgage endorsement has been issued with respect to a particular Condominium Unit, the amount of the insurance proceeds allocated to the Owner of such Condominium Unit shall be held in trust for the Mortgagor and the Owner as their interests may appear, but no Mortgagor shall have the right to determine or participate in the determination as to whether or not any damaged property shall be restored or repaired, and no Mortgagor shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Owner and Mortgagor pursuant to the provisions of these By-Laws.

Section 8.05 Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Owners and their Mortgagees as their respective interests appear, in the following manner:

(a) Expense of Trust. All expenses of the Insurance Trustee, if applicable, shall be first paid or provision made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof pursuant to the provisions of Article IX. Any proceeds remaining after defraying such costs shall be retained by the Association and added to the reserve for replacements established pursuant to the reserve for replacements established pursuant to Section 6.04, except that, with respect to a Condominium Unit in which there was damage to items excluded from insurance coverage pursuant to Section 8.02, the Owner of such Condominium Unit shall be entitled to receive out of such remaining proceeds his pro-rata share thereof determined according to his Percentage Interest.

(c) Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed in accordance with Section 21 of the Act.

(d) Certificate. In making distributions to Owners and their mortgagees, the Board may rely upon its records as to the names of the Owners and their respective shares of the
distribution, and, with respect to the names of mortgagees, may rely upon a certificate from an attorney-at-law who, or a title insurance company which, has examined the Mortgage Records in the office of the Recorder of Marion County, Indiana, as to the names of the holders of mortgages of record.

Section 8.06. Association as Owner's Agent. The Association, acting by its Board of Directors, is hereby irrevocably appointed agent for each Owner and for each Owner of a mortgage or other lien upon a Condominium Unit and for each owner of any other interest in the Property to negotiate all claims arising under insurance policies purchased by the Board, and to execute and deliver releases upon the payment of claims.

Section 8.07. Individual Policies - Recommendation of Association. The Association recommends that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a policy insuring against loss or damage to personal property used or incidental to the occupancy of the Condominium Unit, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering losses to improvements and betterments to the Condominium Unit made or acquired at the expense of the Owner. Any Owner or Mortgagee may obtain additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Condominium Unit made or acquired at the expense of the Owner) at his own expense. Such insurance shall provide that it shall be without contribution as against the insurance maintained by the Board. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 8.03(d). If an insured loss is sustained on the Property and the amount of insurance proceeds that would otherwise be payable to the Association is reduced due to proration of insurance purchased pursuant to this Section, the Owner shall assign the proceeds of the personally purchased insurance, to the extent of the amount of the reduction, to the Association to be distributed as provided in Section 8.05.

Section 8.08. Certificates. Upon request, the Association shall cause to be issued to each Owner and each Mortgagee a certificate of insurance evidencing the insurance carried by the Association.
ARTICLE IX

Damage or Destruction

Section 9.01. Procedure for Restoration or Repair. In the event of damage or destruction to the Common Property by fire, other cause, or as a result of condemnation, and Restoration or repair of the Property is required or authorized pursuant to Paragraph 10 or Paragraph 11 of the Declaration, such Restoration or repair shall be undertaken in accordance with the provisions of this Article.

Section 9.02. Estimate of Cost. Promptly after the occurrence of the damage or destruction to the Property that the Association has the responsibility to restore or repair, the Board shall obtain reliable and detailed estimates of the cost to restore or repair. The services of an architect to supervise the Restoration or repair and the disbursement of the construction funds shall be obtained as the Board may deem appropriate.

Section 9.03. Plans and Specifications. Any Restoration or repair must be either substantially in accordance with the Plans or according to plans and specifications approved by a Majority of Owners, and if damaged Property contains any Condominium Units, by all of the Owners of the damaged Condominium Units, which approval shall not be unreasonably withheld.

Section 9.04. Responsibility. If the damage is only to those parts of a Condominium Unit for which the responsibility of maintenance and repair is that of an Owner, then the Condominium Unit Owner shall be responsible for the cost of Restoration and repair unless such damage is specifically covered by the insurance purchased by the Board, in which event the Association shall be responsible for said costs.

Section 9.05. Deductibles. If the damage to property for which maintenance and repair is a Common Expense was caused by negligence of an Owner or an Owner's guest, or by malfunction of property the Owner is responsible to maintain and repair, then the Owner is responsible for the insurance deductible.

Section 9.06. Insurance Trustee. The Board of Directors may deposit funds for payment of the costs of Restoration or repair, which shall consist of the proceeds of insurance held by or payable to the Insurance Trustee, such amounts from the reserve for replacements as are authorized by the Board for the purpose of Restoration or repair, and the funds collected by the Board from Special Assessments against Owners, with an Insurance Trustee, if any, who shall apply or disburse the same in payment of the costs of Restoration or repair as provided in this Article. The duty of the Insurance Trustee shall be to receive such proceeds or awards as are paid and to hold the same in trust for the purposes herein and in the Declaration stated, and for the benefit of the Co-owners and their Mortgagees as herein and in the Declaration provided.

Section 9.07. Certificates. The Association's Board may rely upon a certificate provided by an architect, if any, employed by the Board to supervise the Restoration, or by the Board, with respect to the payments to be made to contractors undertaking the Restoration and/or repair.
ARTICLE X

Fiscal Management

Section 10.01. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 10.02. Books of Account. Books of account of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices, and shall include a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses.

Section 10.03. Inspection. All books, records and accounts, and all vouchers accrediting the entries made thereupon, shall be available for examination by an Owner or a Mortgagee or any duly authorized agent or attorney of an Owner or Mortgagee at any time during normal business hours for purposes reasonably related to his interest as an Owner.

Section 10.04. Auditing. Unless otherwise agreed by a Majority of Owners, at the close of each fiscal year, the books and accounts of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards.

Section 10.05. Annual Financial Statement. Prior to the annual meeting of the Association, the Board of Directors shall cause to be prepared and delivered to the Co-owners an annual financial statement, certified by the Treasurer, showing all income and all disbursements of the Association during the previous fiscal year. To the extent possible, such financial statement shall be based upon the report prepared pursuant to Section 10.04. The requirements of this Section 10.05 shall be satisfied if the Board causes to be delivered to each Owner prior to the annual meeting of the Association a copy of the report prepared pursuant to Section 10.04.

Section 10.06. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by two officers of the Board, and all checks shall be executed on behalf of the Association by such officers, agents, or other individuals as are from time to time so authorized by the Board.
ARTICLE XI
Amendment to By-Laws

Section 11.01. Procedure. Subject to any contrary, over-riding or superseding provisions set forth herein or in the Declaration, these By-Laws may be amended in the same manner, and subject to the same limitations and requirements as amendments to the Declaration, as set forth in Paragraph 14 of the Declaration. Amendments to these By-Laws shall be considered as amendments of the Declaration and shall be recorded in the Office of the Recorder of Marion County, Indiana, as required by the Declaration and the Act.

Section 11.02. Amended and Restated By-Laws. An amended and restated By-Laws, containing the original By-Laws and all amendments theretofore made, may be executed any time or from time to time by a majority of the then Board of Directors and shall, upon recording in the office of the Recorder of Marion County, Indiana, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original By-Laws and the various amendments thereto.
ARTICLE XII

Mortgages

Section 12.01. Notice to Association. Any Owner who places a first mortgage lien upon his Condominium Unit or the Mortgagor shall notify the Secretary thereof and provide the name and address of the Mortgagee. A record of such Mortgagee’s name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these By-Laws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled to vote by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage.

Section 12.02. Notices to Mortgagees. The Association shall promptly provide to any Mortgagee of whom the Association has been provided notice under Section 12.01 of these By-Laws notice of any of the following:

(a) Any proposed termination of the Regime or any condemnation or casualty loss that affects either a material portion of Newport Bay or the Condominium Unit securing its mortgage;

(b) Any delinquency in the payment of Regular or Special Assessments owed by the Owner of any Condominium Unit on which said Mortgagee holds a mortgage, if said delinquency continues for more than sixty (60) days;

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

(d) Any proposed action that required the consent of a specified percentage of Mortgagees; and,

(e) Any proposed amendment of the Organizational Documents effecting a change in (i) the boundaries of any Condominium Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Areas or Limited Areas appertaining to any Condominium Unit or the liability for Common Expenses appertaining thereto, (iii) the Percentage Vote appertaining to a Condominium Unit or (iv) the purposes for which any Condominium Unit or the Common Areas are restricted.

Section 12.03. Notice of Unpaid Assessments. The Association shall, upon request of the Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Condominium Unit, furnish to such mortgagee or purchaser a statement setting forth the amount of
the unpaid Assessments against the Condominium Unit, which statement shall be binding upon the
Association and the Co-owners, and any Mortgagee or grantee of the Condominium Unit shall not be
liable for, nor shall the Condominium Unit conveyed by subject to a lien for, any unpaid Assessments
in excess of the amount set forth in such statement or as such Assessments may be adjusted upon
adoption of the final annual budget, as referred to in Section 6.02 hereof.

Section 12.04. Financial Statements. Upon the request of any Mortgagee, the Association shall
provide to said Mortgagee the most recent financial statement prepared on behalf of the Association
pursuant to Section 10.04 and 10.05 of these By-Laws.
ARTICLE XIII

Miscellaneous

Section 13.01. Membership. Each Member shall automatically become a member of the Association upon delivering of title to a Condominium Unit. Such membership shall be non-transferable and membership shall automatically transfer to the new owner.

Section 13.02. Personal Interests. No Member shall have or receive any earnings from the Association, except a Member who is an officer, director or employee of the Association may receive fair and reasonable compensation for his services as officer, director or employee.

***
## APPENDIX A

### CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES

#### CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01

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<tr>
<th>DESCRIPTION</th>
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<td>Private steps maintenance, repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Ductwork:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Drive repairs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dryer vents:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior vents</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Piping in wall only</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cleaning in wall only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior doors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Door repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Hardware &amp; jams</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Operation &amp; adjustments</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior caulking, painting &amp; trim</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior frames &amp; thresholds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior lights:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Face bricks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fences (screening, privacy, patio) and gates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Painting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flower &amp; garden beds (incl. mulching):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Side &amp; rear of villas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within yards</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Front of villas &amp; other common beds</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 1 -  10/27/99
APPENDIX A
CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES
CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furnaces &amp; air conditioners:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Inspection &amp; testing</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Service call to replace mechanical components</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Service call to replace non-mech. components</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Parts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair of mechanical components (see Homeowners Manual for detailed list)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair of non-mechanical components (see Homeowners Manual for detailed list)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Note: When repairs are made at the same time to items for which the Association is responsible and to items for which the homeowner is responsible, the cost of the service call will be split equally.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HVAC add-on equipment:</td>
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<td></td>
</tr>
<tr>
<td>Humidifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Dehumidifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Water softeners</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Water purifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Air cleaners</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Interior repairs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settling cracks</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Appliances, lights, thermostats</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Caulking (interior)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing, electric, gas lines-outside unit boundaries</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing, electric, gas lines-inside unit boundaries</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing fixtures</td>
<td>x</td>
<td></td>
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<tr>
<td>Lawn:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common and limited areas</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Cutting</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Trimming</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Fertilization &amp; insects</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td>x</td>
<td></td>
</tr>
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10/27/99
### APPENDIX A

**CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES**

**CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01**

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<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
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<tbody>
<tr>
<td><strong>Painting:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Interior of unit</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior of unit</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td><strong>Patio concrete &amp; wooden decks:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance, repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Extension with approval</td>
<td></td>
<td>x</td>
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<tr>
<td><strong>Road signs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common &amp; private streets</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td><strong>Roofs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shingles &amp; flashing</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Gutters &amp; downspouts</td>
<td></td>
<td>x</td>
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<tr>
<td><strong>Roof leak damage:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair (exterior)</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Repainting (interior)</td>
<td></td>
<td>x</td>
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<tr>
<td>Drywall</td>
<td></td>
<td>x</td>
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<tr>
<td><strong>Snow removal:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stoops &amp; sidewalks</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Common streets &amp; drives</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td><strong>Storm doors:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance, repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Installation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Screens</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Termitite control:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Trees &amp; shrubs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pruning &amp; removal</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Fertilization &amp; spraying</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Weeding common &amp; limited area</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Additional planting</td>
<td></td>
<td>x</td>
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</tbody>
</table>
## Appendix A

**Checklist of Maintenance/Repair Responsibilities**

**Clarification of and Exceptions to Article V Section 5.01**

<table>
<thead>
<tr>
<th>Description</th>
<th>Owner</th>
<th>Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Villa garages:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor &amp; other interior repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door operation, openers, &amp; jams</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door exterior painting, framing &amp; trim</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Windows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skylights</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior framing &amp; trim</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior caulking &amp; painting</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Flashing</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior sills if separable from jams</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Sashes, jams, glass &amp; mechanism</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior sills if not separable from jams</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Operation &amp; adjustment</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Screens</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Window washing (exterior)</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>
EXHIBIT "A"

Commencing at the Southwest corner of the Southeast Quarter of Section 30, Township 17 North, Range 4 East, in Marion County, Indiana; thence North 00 degrees 08 minutes 13 seconds West (assumed bearing) on the West line of said Southeast Quarter 1087.16 feet; thence South 82 degrees 06 minutes 15 seconds West 210.82 feet; thence North 00 degrees 01 minutes 15 seconds East 1385.00 feet to the Southwest corner of the Real Estate described in Warranty Deed between Somerset Bay Co. and Bay Development Corporation executed June 30, 1965 and the true point of beginning for the tract herein described and the point of curvature of a non-tangent curve whose radius point bears North 00 degrees 00 minutes 00 seconds East 199.05 feet from the point of curvature; thence easterly on said curve an arc distance of 100.76 feet to the point of reverse curvature of a tangent curve whose radius point bears South 31 degrees 17 minutes 02 seconds West 213.37 feet from the point of reverse curvature (this and the next five (5) courses are on the centerline of Somerset Bay); thence easterly on said curve an arc distance of 307.56 feet to the point of reverse curvature of a tangent curve whose radius point bears North 05 degrees 25 minutes 44 seconds East 261.51 feet from the point of reverse curvature; thence easterly on said curve an arc distance of 102.37 feet to the point of tangency; thence North 73 degrees 00 minutes 00 seconds East 193.91 feet to the point of curvature of a tangent curve whose radius point bears South 17 degrees 00 minutes 00 seconds East 133.92 feet from the point of curvature; thence easterly on said curve an arc distance of 39.71 feet to the point of tangency; thence South 00 degrees 00 minutes 00 seconds East 119.93 feet to the East line of said Real Estate; thence North 00 degrees 00 minutes 00 seconds 1253.56 feet (this and the next four (4) courses are on the boundary of said Real Estate); thence South 40 degrees 20 minutes 05 seconds West 660.47 feet; thence North 40 degrees 18 minutes 40 seconds West 287.76 feet to the centerline of River Road; thence South 49 degrees 11 minutes 11 seconds West on the centerline of River Road as it presently exists 303.63 feet to the East line of the Real Estate described in Corporate Warranty Deed between Indiana Financial Investors, Inc. and Bay Development Corporation executed June 30, 1965; thence North 00 degrees 01 minutes 15 seconds East 19.55 feet to the old centerline of River Road before its relocation (this and the next eight (8) courses are on the boundary of the Real Estate described in Corporate Warranty Deed between Indiana Financial Investors, Inc. and Bay Development Corporation executed June 30, 1965); thence South 49 degrees 41 minutes 20 seconds West 30.43 feet (this and the next course are located on the old centerline of River Road before its relocation); thence South 56 degrees 51 minutes 20 seconds West 521.60 feet; thence south 33 degrees 08 minutes 40 seconds East 35.00 feet; thence south 01 degrees 31 minutes 15 seconds West 684.41 feet; thence south 25 degrees 58 minutes 45 seconds East 35.00 feet to the centerline of Ruth Drive; thence North 64 degrees 01 minutes 15 seconds East 55.80 feet to the point of curvature of a tangent curve whose radius point bears South 25 degrees 58 minutes 45 seconds East from the point of curvature; thence easterly on said curve an arc distance of 294.83 feet to the point of tangency; thence South 89 degrees 50 minutes 45 seconds East 106.29 feet to the true point of beginning; containing 27.974 acres, more or less.

Subject to public rights-of-way, easements, covenants, conditions and agreements of record.

cede TA/759EA.4
NOTICE OF CORRECTION OF CLERICAL ERROR TO
AMENDED & RESTATE CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

The Board of Directors of Newport Bay Owners Association, Inc. hereby gives Notice of
Correction of a Clerical Error to the Amended and Restated Code of By-Laws of Newport Bay
Horizontal Property Regime and of Newport Bay Owners Association, Inc.

WITNESSETH:

WHEREAS, the Newport Bay horizontal property regime located in Marion County was
established by a certain "Declaration of Horizontal Property Ownership for Newport Bay
Horizontal Property Regime" which was recorded on February 25, 1988, as Instrument No. 88-
16665 in the Office of the Recorder of Marion County, Indiana, said Declaration together with all
amendments and/or supplements thereto being hereafter referred to as the "Declaration"; and

WHEREAS, the original Code of By-Laws of Newport Bay Horizontal Property Regime
and of Newport Bay Owners Association, Inc. was attached to the Declaration and was thus
recorded on the same day and under the same Instrument No. 88-16665 as the Declaration
(hereafter, "By-Laws"); and

WHEREAS, on June 16, 1988, the developer of Newport Bay recorded in the Office of
the Recorder of Marion County, Indiana certain amendments to both the Declaration and By-
Laws in Instrument No. 88-58379, which amendments pertained to Optional Carport Limited
Areas (hereafter, "Developer Amendments"); and

WHEREAS, the Developer Amendments included six (6) amendments to the
Declaration, and two (2) amendments to the By-Laws; and

WHEREAS, the Developer Amendments to the By-Laws in 1988 consisted of one
sentence which was added to then Section 5.01(d), and another sentence which was added as a
new Section 6.10; and

WHEREAS, at the annual meeting of the Co-Owners and the Newport Bay Owners
Association, Inc. ("Association") held on October 27, 1999, the Co-Owners approved an
Amended and Restated Code of By-Laws; and

WHEREAS, the Amended and Restated Code of By-Laws of Newport Bay Horizontal
Property Regime and of the Association was recorded on December 10, 1999, as Instrument No.
1999-0233126 in the Office of the Recorder of Marion County, Indiana; and
WHEREAS, the Amended and Restated By-Laws inadvertently failed to include the two (2) provisions to the original By-Laws which had been added previously by the Developer Amendments; and

WHEREAS, during the amendment and restatement process in 1999, Section 5.01 of the By-Laws was completely reformatted such that the Developer’s Amendment from 1988 to Section 5.01 would have been an addition to the fourth paragraph thereof; and

WHEREAS, during the amendment and restatement process in 1999, the Sections within Article VI of the By-Laws were renumbered such that Section 6.10 (which was added by the Developer Amendments) would have become Section 6.08; and

WHEREAS, since the time the owners took control of the Association from the Developer, the Association’s Board of Directors has acted in conformity with the Developer Amendments by holding the owners of Optional Carport Limited Area solely responsible for the costs of maintenance and replacement reserves for the same so that such costs are not part of the Common Expenses shared and paid by all Owners.

NOW, THEREFORE, the Association’s Board of Directors hereby gives notice of the following correction of clerical error to the Amended and Restated Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc.

1. The fourth paragraph of Article V, Section 5.01 of the Code of By-Laws correctly reads as follows:

   Each Owner shall, at his expense, be responsible for the decoration and appearance of any balcony, patio, deck, or porch to which there is direct access from the interior of his Condominium Unit. Each Owner is responsible for the interior of each assigned storage area and for the appearance of the garage spaces assigned. There are or may be Optional Carport Limited Area as defined in the Declaration and the expenses and upkeep thereon shall be paid to the Association under the regular assessment procedures by the Owner having the exclusive use and enjoyment thereof.

2. Article VI, Section 6.08 of the Code of By-Laws correctly reads as follows:

   All provisions of Article VI, Sections 6.01 through Section 6.07 shall have like application to property defined as Optional Carport Limited Area in the Declaration excepting the duties relating to Regular Assessments, Special Assessments, Reserve for Replacement, General Operating Reserve, Failure of Owner to Pay Assessments, and Waiver of Lien Upon Foreclosure shall be the responsibility and liability of the Owner of the exclusive beneficial use and enjoyment of the improvements upon the Optional Carport Limited Area and not a charge or obligation of the other Owners of Condominium Units in Newport Bay.
Executed this 9th day of APRIL, 2001.

NEWPORT BAY OWNERS ASSOCIATION, INC., by:

[Signature]

[Name]
President

[Signature]

James Komro, V. P. /BOARD
Printed & Title

STATE OF INDIANA  }

COUNTY OF [Address]

Before me, a notary public, in and for said County and State, personally appeared Stephen K. Kreutzfeld, the President and [Name], respectively, of Newport Bay Owners Association, Inc., an Indiana nonprofit corporation, who acknowledged execution of the within and foregoing, for and on behalf of said corporation and its members and who, being duly sworn, stated that the representations made therein are true. Witness my hand and notarial seal this 9th day of April, 2001.

My Commission Expires: 9-25-08

[Signature]
Notary Public - Signature

Residence County: [Address]

[Signature]
Printed

This instrument prepared by, and should be returned to, F. Thomas Murray, Jr., Eads Murray & Pugh, P.C., Attorneys at Law, 7321 Shadeland Station, Suite 250, Indianapolis, IN 46236. (317) 842-6230.
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

Prepared by the Board of Directors
# Table of Contents

## Article I. Identification and Applicability
- Section 1.01. Identification and Adoption .......................................................... 1
- Section 1.02. Additional Definitions ............................................................... 1
- Section 1.03. Individual Application .............................................................. 2

## Article II. Meetings of the Association
- Section 2.01. Purpose of Meetings .................................................................. 3
- Section 2.02. Annual Meetings ....................................................................... 3
- Section 2.03. Special Meetings ....................................................................... 3
- Section 2.04. Notice and Place of Meeting ....................................................... 3
- Section 2.05. Voting ......................................................................................... 3
- Section 2.06. Conduct of Meetings ................................................................. 4
- Section 2.07. Written Ballots .......................................................................... 5

## Article III. Board of Directors
- Section 3.01. Management .............................................................................. 6
- Section 3.02. Additional Qualifications ............................................................ 6
- Section 3.03. Term of Office and Vacancy ....................................................... 6
- Section 3.04. Removal of Directors ................................................................. 6
- Section 3.05. Duties of the Board of Directors ............................................... 6
- Section 3.06. Powers of the Board of Directors .............................................. 7
- Section 3.07. Limitation on Board Action ...................................................... 8
- Section 3.08. Compensation .......................................................................... 8
- Section 3.09. Meetings .................................................................................... 8
- Section 3.10. Waiver of Notice ..................................................................... 9
- Section 3.11. Action Without a Meeting ......................................................... 9
- Section 3.12. Quorum ................................................................................... 9
- Section 3.13. Standards of Conduct and Liability of Directors and Officers .... 9
- Section 3.14. Indemnification of Directors ..................................................... 9
- Section 3.15. Indemnification of Officers ......................................................... 9
- Section 3.16. Transactions Involving Affiliates ............................................... 10
- Section 3.17. Bonds ...................................................................................... 10

## Article IV. Officers
- Section 4.01. Officers of the Association ......................................................... 11
- Section 4.02. Election of Officers .................................................................. 11
- Section 4.03. The President .......................................................................... 11
- Section 4.04. The Vice President .................................................................. 11
- Section 4.05. The Secretary .......................................................................... 11
- Section 4.06. The Treasurer ........................................................................ 11
- Section 4.07. Assistant Officers .................................................................... 12

## Article V. Management
- Section 5.01. Maintenance, Repairs and Replacements ................................. 13
- Section 5.02. Right of Entry ......................................................................... 13
- Section 5.03. Alterations and Additions ......................................................... 14
- Section 5.04. Real Estate Taxes .................................................................... 14
- Section 5.05. Utilities .................................................................................. 14
- Section 5.06. Limitation of Liability ............................................................... 14
- Section 5.07. Negligence ............................................................................. 14
- Section 5.08. Costs and Attorneys' Fees ....................................................... 14
<table>
<thead>
<tr>
<th>Article</th>
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<th>Topic</th>
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<tr>
<td>VI.</td>
<td>6.01</td>
<td>Proposed Annual Budget</td>
<td>15</td>
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<td>Regular Assessments</td>
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<td>6.04</td>
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<td>Failure of Owner to Pay Assessments</td>
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<td>Waiver of Lien Upon Foreclosure</td>
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<td>VII.</td>
<td>7.01</td>
<td>Restrictions on Use</td>
<td>19</td>
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<td>7.02</td>
<td>Right of Board to Adopt Rules and Regulations</td>
<td>21</td>
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<td>Enforcement</td>
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<td>8.05</td>
<td>Distribution of Insurance Proceeds</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>8.06</td>
<td>Association as Owner's Agent</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>8.07</td>
<td>Individual Policies - Recommendation of Association</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>8.08</td>
<td>Certificates</td>
<td>26</td>
</tr>
<tr>
<td>IX.</td>
<td>9.01</td>
<td>Procedure for Restoration or Repair</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>9.02</td>
<td>Estimate of Cost</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>9.03</td>
<td>Plans and Specifications</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>9.04</td>
<td>Responsibility</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>9.05</td>
<td>Deductibles</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>9.06</td>
<td>Insurance Trustee</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>9.07</td>
<td>Certificates</td>
<td>27</td>
</tr>
<tr>
<td>X.</td>
<td>10.01</td>
<td>Fiscal Year</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>10.02</td>
<td>Books of Account</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>10.03</td>
<td>Inspection</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>10.04</td>
<td>Auditing</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>10.05</td>
<td>Annual Financial Statement</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>10.06</td>
<td>Execution of Association Documents</td>
<td>28</td>
</tr>
<tr>
<td>XI.</td>
<td>11.01</td>
<td>Procedure</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>11.02</td>
<td>Amended and Restated By-Laws</td>
<td>29</td>
</tr>
<tr>
<td>XII.</td>
<td>12.01</td>
<td>Notice to Association</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>12.02</td>
<td>Notices to Mortgagees</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>12.03</td>
<td>Notice of Unpaid Assessments</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>12.04</td>
<td>Financial Statements</td>
<td>31</td>
</tr>
<tr>
<td>XIII.</td>
<td>13.01</td>
<td>Membership</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>13.02</td>
<td>Personal Interests</td>
<td>32</td>
</tr>
</tbody>
</table>

Appendix A
AMENDED AND RESTATE
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration creating Newport Bay Horizontal Property Regime to which these By-Laws are attached and made a part. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. Except as otherwise provided in Section 1.02 hereof, the definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws and reference is specifically made to Paragraph 1 of the Declaration containing definitions of terms. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association. These By-Laws shall also constitute the By-Laws of the Association.

Section 1.02. Additional Definitions. Notwithstanding any other definition in the Declaration, the following terms as used in these By-Laws shall have the following meanings:

(a) "Articles" means the Articles of Incorporation of the Association.

(b) "Assessment" means all sums lawfully assessed against the Owners or as declared or authorized by the Act, the Declaration, any Supplementary Declaration, the Articles, or these By-Laws.

(c) "Directors" means all the members of the Board of Directors and "Director" means any individual member thereof.

(d) "Managing Agent" means a reputable and recognized professional property management agent employed by the Board pursuant to Section 3.06.

(e) "Majority Vote" means a majority of the Percentage Vote present and voting at any duly constituted meeting of the Members at which a quorum is represented.

(f) "Member" means a member of the Association and "Members" means more than one member of the Association.

(g) "Regular Assessment" means the Assessment levied pursuant to Section 6.02.
(h) "Special Assessment" means the Assessment levied pursuant to Section 6.03.

(i) "Statute" means the Indiana Nonprofit Corporation Act of 1991, as the same may be amended from time to time.

(j) “Owner” means a Person who or which owns the fee simple title to a Condominium Unit. “GUEST” is a visitor by invitation of an Owner or Resident. “TENANT” is one who has entered into a lease agreement with an Owner.

Section 1.03. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Condominium Unit or any part of the Property, shall be subject to the restrictions, terms and conditions set forth in the Declaration, the Articles, these By-Laws and the Act, and to any rules and regulations adopted by the Board as herein provided.
ARTICLE II

Meetings of the Association

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

Section 2.02. Annual Meetings. The annual meeting of the Members shall be held on the fourth Wednesday of October in each calendar year. At the annual meeting, the Owners shall elect the Board of Directors in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the Members may be called by the Association's President, by resolution of the Board or upon a written petition of Owners who have not less than ten percent (10%) of the Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Association (references herein to an officer shall be to that officer of the Association) and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meeting. All meetings of the Members shall be held at any suitable place in Marion County, Indiana, as may be designated by the Board. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary to each Member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Condominium Units and not otherwise. Any written notice delivered to the Owners as part of a newsletter or other publication regularly sent to the Owners constitutes a written notice. If an annual or special meeting of the Owners is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting before adjournment. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 12.01 of these By-Laws. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. All Persons who own a Condominium Unit shall jointly (and not severally) be entitled to cast one vote for each Condominium Unit they own on each matter coming before the meeting as to which they are entitled to vote.
(b) **Multiple Owner.** When more than one (1) Person or entity constitutes the Owner of a particular Condominium Unit, all such Persons or entities shall be Members of the Association, but all of such Persons or entities shall have only one vote applicable to the Condominium Unit, which vote shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Condominium Unit. If such Persons cannot agree on how to cast the vote on a particular matter, there shall be no vote for that Condominium Unit.

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

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

(e) **Pledges.** If the vote of an Owner or Owners has been pledged by mortgage, security agreement, conditional assignment, or other instrument, an executed copy of which has been filed with the Secretary, only the pledgee shall be entitled to cast the vote of such Owner or Owners upon those matters upon which the Owner or Owners vote is so pledged.

(f) **Quorum.** Except where otherwise expressly provided in the Declaration, these By-Laws, the Act or the Statute, a Majority of Owners shall constitute a quorum at all meetings of the Members.

**Section 2.06: Conduct of Meetings.**

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

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

2. **Treasurer's Report.** The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the current year to date and the proposed budget for the next year.
(3) **Budget.** The proposed budget for the next fiscal year shall be presented to the Owners for approval or amendment.

(4) **Election of Board of Directors.** Nominations for the Board may be made by any Owner from those Persons eligible to serve. Such nominations must be in writing and presented to the Secretary at least seven (7) days prior to the date of the annual meeting. Voting for the Board will be by paper ballot. The ballot shall contain the name of each Person nominated to serve as a member of the Board. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those Persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot.

(5) **Other Business.** Other business may be brought before the meeting only by decision of the Board of Directors or upon a written request of an Owner submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting, except that such written request may be waived at the meeting if agreed by a Majority Vote.

(6) **Adjournment.**

“"The following documents must be received by the Owners one week prior to the annual meeting: (1) Minutes of the prior year’s annual meeting, (2) Treasurer’s Report for the current year to date (3) Proposed Budget for the next year.”

(b) **Special Meeting.** The President shall act as chairman of any special meetings of the Association if he is present. The chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be the matters for which such meeting was called, as set forth in the notice of such special meeting.

**Section 2.07. Written Ballots.** In lieu of any annual or special meeting of the Owners, written ballots may be utilized in the manner prescribed in the Statute.
ARTICLE III

Board of Directors

Section 3.01. Management. The affairs of the Association and Newport Bay shall be governed and managed by the Board of Directors.

Section 3.02. Additional Qualifications. Where an Owner consists of more than one individual or is not a natural Person, then one of the individuals constituting the multiple Owner, or a partner, an officer or the trustee of an Owner shall be eligible to serve on the Board, except that no single Condominium Unit may be represented on the Board by more than one individual at a time.

Section 3.03. Term of Office and Vacancy. Three (3) members of the Board shall be elected at each annual meeting of the Association. Each member of the Board of Directors shall be elected for a term of three (3) years so that the terms of one-third (1/3) of the Directors shall expire annually. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.04. The Director so filling a vacancy shall serve until the next annual meeting of the Members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

Section 3.04. Removal of Directors. A Director or may be removed with or without cause by a Majority Vote of the Owners at a special meeting of the Members duly called and constituted for that purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Members or until his successor is duly elected and qualified.

Section 3.05. Duties of the Board of Directors. The Board shall provide for the administration of Newport Bay, the maintenance, upkeep and replacement in the Common Areas and Limited Areas (unless the same are otherwise the responsibility or duty of the Owners of Condominium Units), and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Association, employ a Managing Agent upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

(a) protection, repair and replacement of the Common Areas and Limited Areas, unless the same are otherwise the responsibility or duty of the Owners of Condominium Units; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Association, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
(b) procuring of utilities used in connection with Newport Bay, removal of garbage and waste, and snow removal from the Common Areas;

(c) landscaping, painting, decorating, furnishing, maintaining and repairing the Common Areas and, where applicable, the Limited Areas;

(d) surfacing, paving and maintaining drives, parking areas and sidewalks;

(e) washing and cleaning of exterior window surfaces of the Condominium Units;

(f) assessment and collection from the Owners of the Owner's share of the Common Expenses.

(g) preparation of the proposed annual budget;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year;

(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; and

(j) procuring and maintaining for the benefit of the Owners, the Association and the Board the insurance coverages required by Section 8.01 and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable.

(k) making available to Owners and Mortgagees for a reasonable charge current copies of the Declaration, By-Laws and rules and regulations governing Newport Bay ("Organization Documents") and any other books, records and financial statements of the Association. The Board shall also make available to prospective purchasers of Condominium Units current copies of the Organizational Documents and the most recent annual audited financial statement, if such statement has been prepared. "Available" means available for inspection upon request during normal business hours or under other reasonable circumstances and pursuant to the Statute. Upon written request by the United States Department of Housing and Urban Development or the Veterans Administration, the Board shall also prepare and furnish within a reasonable time an audited financial statement for the Association for the immediately preceding fiscal year.

Section 3.06. Powers of the Board of Directors. The Board shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

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

(b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board;
(c) to employ legal counsel, architects, contractors, accountants and others as in the
judgment of the Board may be necessary or desirable in connection with the business and affairs
of Newport Bay;

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

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

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

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

Section 3.07. Limitation on Board Action. The authority of the Board to enter into contracts
shall be limited to contracts involving a total expenditure of less than $10,000.00 without obtaining the
prior approval of a Majority Vote of the Owners, except that in the following cases such approval shall
not be necessary;

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

(b) proposed contracts and proposed expenditures expressly set forth in the proposed
annual budget as approved by the Owners at the annual meeting; however, specific items within
the budget need not be approved by the Owners at such annual meeting. The Board may also
reallocate funds to items in the budget so long as the total budgeted funds are not exceeded and
by doing so, the total budget will not be increased, and

(c) expenditures necessary to deal with emergency conditions in which the Board
reasonably believes there is insufficient time to call a meeting of the Owners.

Section 3.08. Compensation. No Director shall receive any compensation for his services as a
Director except to such extent as may be expressly authorized by a Majority Vote of the Owners. The
Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall
be a Common Expense.

Section 3.09. Meetings.

(a) Organization Meeting. The Board shall meet during January of each year for the
purpose of organization, election of officers and consideration of any other business that may
properly be brought before the meeting, and no notice shall be necessary to any newly elected
Directors in order to legally constitute such meeting if a quorum is present.

- 8 -
(b) **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. No written or verbal notice need be given to Directors for regularly scheduled Board meetings of which the Directors are already aware. For all other Board meetings, the Secretary shall give notice of the meeting of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

(c) **Special Meetings.** Special meetings of the Board may be called by the president or any two (2) members of the Board. The Director or Directors calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least three (3) days prior the date of such special meeting, give notice to the members of the Board. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Marion County, Indiana, as shall be designated in the notice.

**Section 3.10. Waiver of Notice.** Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his subsequent consent to the actions taken thereat, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 3.11. Action Without a Meeting.** Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a consent in writing setting forth such actions so taken is signed by all Directors and such written consent is filed with the minutes of the proceedings of the Board.

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

**Section 3.13. Standards of Conduct and Liability of Directors and Officers.** The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Association shall be as set forth in the Statute, as the same may be amended from time to time.

**Section 3.14. Indemnification of Directors.** To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director of the Association shall be indemnified by the Association as provided in the Statute.

**Section 3.15. Indemnification of Officers.** To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was an officer of the Association shall be indemnified by the Association as provided in the Statute. In addition, every person (and the heirs and personal representatives of such person) who is or was an
of the Association shall be indemnified by the Association to the same and fullest extent that
directors are indemnified by the Association as provided for in the Statute.

Section 3.16. Transactions Involving Affiliates. No contract or other transaction between the
Association and one or more of its Directors, or between the Association and any Person (including
Declarant or any shareholder of Declarant) in which one or more of the Directors are directors,
officers, partners, or employees or are pecuniarily or otherwise interested shall be void or voidable
because of this relationship or interest or because such Director or Directors are present at the meeting
of the Board that authorizes or approves the contract of transaction, or because his or their votes are
counted for such purpose if:

(a) the fact of the affiliation or interest is disclosed or known to the Board and the Board
authorizes, approves, or ratifies such contract or transaction in good faith by a vote or consent
sufficient for the purpose without counting the votes of the interested director; or

(b) the fact of the affiliation or interest is disclosed or known to the Co-owners; and they
authorize, approve or ratify the contract or transaction in good faith by a vote or written consent
sufficient for the purpose; or

(c) the contract or transaction is commercially fair and reasonable to the Association at
the time it is authorized, ratified, approved or executed.

Affiliated or interested Directors may be counted in determining the presence of the quorum of
any meeting of the Board thereof that authorizes, approves or ratifies any contract or transaction.

Section 3.17. Bonds. Blanket fidelity bonds shall be maintained by the Association for all
officers, directors and employees of the Association and all other persons handling, or responsible for,
funds of or administered by the Association. Where the Managing Agent has the responsibility for
handling or administering funds of the Association, the Managing Agent shall be required to maintain
fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or
administered on behalf of, the Association and the Association shall be named as an additional obligee
thereon. Such fidelity bonds shall name the Association as an obligee and shall not be less than the
estimated maximum of funds, including reserve funds, in the custody of the Association or Managing
Agent, as the case may be, at any given time during the term of each bond. In no event, however, may
the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate
assessments on all Condominium Units plus reserve funds. The bonds shall contain waiver by the
issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation
from the definition of "employees" or similar terms of expressions. The expense of all such bonds shall
be a Common Expense. The bonds may not be canceled or substantially modified without thirty (30)
days notice in writing to the Association, the Insurance Trustee and each servicer of a FNMA (Fannie
Mae) owned mortgage in the Property.
ARTICLE IV

Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in the judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of President and Secretary shall not be performed by the same person.

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

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

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

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

Section 4.06. The Treasurer. The Board shall elect a Treasurer who shall maintain a correct and complete record of accounts showing accurately at all times the financial condition of the Association and who shall perform such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designed by the Board and shall keep such bank account or accounts in the name of the Association. The Treasurer may permit the Managing Agent to handle and account for monies and other assets of the Association to the extent appropriate as part of its duties.
Section 4.07. Assistant Officers. The Board may, from time to time, designate and elect from among the Members as Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board may prescribe.
ARTICLE V

Management

Section 5.01. Maintenance, Repairs and Replacements. Except as otherwise described in Appendix A attached hereto and incorporated herein, the Association shall be responsible for maintenance, repairs and replacements outside the boundaries of the Condominium Units (defined in Paragraph 5 of the Declaration), and these costs shall be a Common Expense unless such repairs or replacements are the result of neglect or misuse of the area by an Owner.

Except as otherwise described in Appendix A attached hereto and incorporated herein, each Owner shall, at his expense, be responsible for maintenance, repairs and replacement within the boundaries of his own Condominium Unit (defined in Paragraph 5 of the Declaration). Each Owner shall promptly perform all repairs within his Condominium Unit which, if neglected, might adversely affect the Property.

In the event that repair of any Condominium Unit is reasonably necessary in the discretion of the Board to protect the Common Areas or Limited Areas, or to preserve the appearance or value of the Property, or is otherwise in the interest of the general welfare of the Co-owners, the Board shall have the power to undertake such repair. No such repair shall be undertaken without a resolution by the Board, and after first informing the Owner in writing of the untenable condition of his property. The Board shall allow reasonable time for the Owner to respond in writing to the Board and to make repairs. Should the Owner refuse to comply with the Board's request, the Board shall have repairs made and the cost of any such repair shall be assessed against the Condominium Unit. A statement for the amount assessed shall be rendered promptly to the then Owner of the Condominium Unit, at which time the Assessment shall become due and payable and a continuing lien and obligation of said Owner in all respects as provided in Section 6.06 hereof.

Each Owner shall, at his expense, be responsible for the decoration and appearance of any balcony, patio, deck, or porch to which there is direct access from the interior of his Condominium Unit. Each Owner is responsible for the interior of each assigned storage area and for the appearance of the garage spaces assigned. There are or may be Optional Carport Limited Area as defined in the Declaration and the expenses and upkeep thereon shall be paid to the Association under the regular assessment procedures by the Owner having the exclusive use and enjoyment thereof.

The Board of Directors may adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas and Limited Areas (defined in Sections 6 and 7 of the Declarations).

Section 5.02. Right of Entry. The Board of Directors, the Managing Agent, or any other Person authorized by the Board or the Managing Agent shall have the right, at reasonable times and upon reasonable prior notice (except in cases of emergency in which event no notice shall be required), to enter into each individual Condominium Unit for the purposes of inspection of the Common Areas and Limited Areas appurtenant thereto and replacement, repair and maintenance of the same.
Section 5.03. Alterations and Additions. No Person shall make any alterations or additions to the Common Areas or Limited Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alteration or addition within the boundaries of his Condominium Unit that would affect the safety or structural integrity of the Building in which the Condominium Unit is located.

Section 5.04. Real Estate Taxes. Real estate taxes are to be separately taxed to each Condominium Unit as provided in the Statute.

Section 5.05. Utilities. Each Owner shall pay for his own utilities that are separately metered. Utilities that are not separately metered shall be treated as and paid as part of the Common Expenses, unless alternative payment arrangements are authorized by a Majority of Owners.

Section 5.06. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Common Expenses, or for injury or damage to person or property caused by the elements or by the Owner of any Condominium Unit, or any other Person, or resulting from electricity, water, snow, or ice that may leak or flow from any portion of the Common Areas or Limited Areas or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles that may be stored upon any of the Common Areas or Limited Areas. No diminution or abatement or Assessments for Common Expenses shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Limited Areas or from any action taken by the Association to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

Section 5.07. Negligence. Each Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his negligence or by that of his guests, employees, agents or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, or occupancy or abandonment of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

Section 5.08. Costs and Attorneys' Fees. In any proceeding arising because of failure of an Owner to make any payments required by, or to comply with any provisions of, the Declaration, the Act, these By-Laws, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the Association shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.
ARTICLE VI

Assessments

Section 6.01. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board shall cause to be prepared a proposed annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments for the next fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a Majority Vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall include the amounts required for funding the reserve accounts required by Section 6.04 and 6.05. The failure or delay of the Board to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined.

Section 6.02. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash required for the Common Expenses in the next fiscal year and required reserve amounts as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Condominium Unit. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as herein above provided. The Regular Assessment against each Condominium Unit shall be paid in advance in equal monthly installments, commencing on the first day of the first month of each fiscal year and on the first day of each month thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay monthly assessments in advance.

The Regular Assessments shall be payable in advance and shall commence at the time of closing and delivery of deed. In computing the initial payment the amount of the Regular Assessments shall be calculated by apportioning the payment based upon a thirty (30) day month until the due date for payment of the next Regular Assessment occurs.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Condominium Unit as of the first day of each fiscal year of the Association, even though the final determination of the amount of such Regular Assessment may not have been made by that
date. Installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statement to Owners for the same.

Section 6.03. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Condominium Unit, prorated in accordance with the Percentage Interest of each Condominium Unit. Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures or to pay for the cost of any repair or reconstruction of damage caused by fire or other cause or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described herein or in the Declaration.

Section 6.04. Reserve for Replacements. The Board of Directors shall cause to be established and maintained a reserve fund for replacements by the allocation and payment to such reserve fund not less often than annually of an amount determined by the Board to be sufficient to meet the costs of periodic maintenance, repair, renewal and replacement of the Common Areas and Limited Areas, including, but not limited to, painting the exterior of buildings, repairing or replacing the recreational facilities, and resurfacing, repairing or replacing streets, parking areas, sidewalks, roofs and other facilities and appurtenances. In determining the amount, the Board shall take into consideration the expected useful life of such Common Areas and Limited Areas, projected increases in the cost of materials and labor, interest to be earned by such funds, and the advice of, the Managing Agent and any consultants the Board may employ. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The reserve for replacements may be expended only for the purpose of effecting the periodic maintenance, repair, renewal or replacement of the Common Areas and Limited Areas and equipment of the Property. The Board shall annually review the adequacy of the reserve fund. The proportionate interest of any Owner in any reserve for replacements shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it pertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.05. General Operating Reserve. The Board of Directors may establish and maintain a reserve fund for general operating expenses of a non-recurring nature by the allocation and payment to such reserve fund of such amount as the Board in its discretion determines to be reasonable under the circumstances. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The general operating reserve may be expended only for operating contingencies of a non-recurring nature. The proportionate interest of any Owner in any reserve fund for general operating expenses shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it pertains and shall be deemed to be transferred with such Condominium Unit.
Section 6.06. Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and, in the proper case, of the Limited Areas, of the Buildings, and toward any other expenses lawfully agreed upon, by waiver of the use of enjoyment of the Common Areas or by abandonment of the Condominium Unit belonging to him. Each Owner shall be personally liable for the payment of his Percentage Interest of all Assessments. Where the Owner constitutes more than one person, the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Assessment when due, a lien for such Assessment of the Owner's Condominium Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by law; provided, however, any lien for delinquent Assessments or other charges that the Association has on a Condominium Unit will be subordinate to a first mortgage on the Condominium Unit. In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Condominium Unit, and the Board shall be entitled to the appointment of the receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Assessment without foreclosing or waiving the lien securing the same. In any action to recover an Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Condominium Unit.

Upon the failure of an Owner to make payments of any Regular or Special Assessments within ten (10) days after such are due, the Board, in its discretion, may:

(a) impose a late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board of up to five percent (5%) of the amount of the Assessment; provided, however, that in no event shall the late charge be less than Twenty-Five Dollars ($25.00);

(b) accelerate the entire balance of the unpaid Assessments for the remainder of the fiscal year and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary;

(c) suspend such Owner's right to use the recreational facilities within Newport Bay as provided in the Statute; and

(d) suspend such Owner's right to vote as provided in the Statute.

Section 6.07. Waiver of Lien Upon Foreclosure. Notwithstanding anything to the contrary contained in the Declaration and these By-Laws, any sale or transfer of a Condominium Unit to a Mortgagee pursuant to a foreclosure of its mortgage or conveyance in lieu thereof, or a conveyance to any Person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Assessment as to such installments that became
due prior to such sale, transfer or conveyance, but extinguishment of such lien shall not relieve the prior Owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Condominium Unit or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Assessments thereafter becoming due or from the lien therefore. Such unpaid share of any Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the Condominium Unit from which it arose), as provided in the Act.

Section 6.08. All Provisions of Article VI, Sections 6.01 through Section 6.07 shall have like application to property defined as Optional Carport Limited Area in the Declaration excepting the duties relating to Regular Assessments, Special Assessments, Reserve for Replacement, General Operating Reserve, Failure of Owner to Pay Assessments, and Waiver of Lien Upon Foreclosure shall be the responsibility and liability of the Owner of the exclusive beneficial use and enjoyment of the improvements upon the Optional Carport Limited Area and not a charge or obligation of the other Owners of Condominium Units in Newport Bay.
ARTICLE VII
Restriction, Entry and Rules and Regulations

Section 7.01. Restrictions on Use. The following restriction on the use and enjoyment of the Condominium Units, Common Areas, Limited Areas and the Property shall be applicable to Newport Bay:

(a) All Condominium Units shall be used exclusively for residential purposes and for occupancy by a single family all as permitted under local zoning ordinances. "Single Family" is defined as a single housekeeping unit, operating on a nonprofit, non-commercial basis between its occupants with a common kitchen and dining area.

(b) No additional buildings shall be erected or located on the Tract other than the Buildings designated in the Declaration, or a supplement or amendment to the Declaration, and shown on the Plans or plans filed with such a supplement or amendment to the Declaration, without the consent of the Board of Directors.

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

(d) No nuisance shall be permitted, including without limitation any activities which are unsafe or hazardous with respect to any person or property, and no waste shall be committed in any Condominium Unit, Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls or balcony of any Building, and no sign, awning, canopy, shutter, radio or television antenna, satellite dish or other attachment or thing shall be affixed to or be placed upon the exterior wall or roofs or any other parts of any Building without the prior written consent of the Board. Interior window and door drapes or coverings shall be of a neutral translucent color and texture or of the same color of the exterior facade surrounding the window or door.

(f) Nothing shall be done or permitted in any Condominium Unit that will impair the structural integrity of any Building or that would structurally change any Building or that would affect the exterior appearance of any Condominium Unit, except as otherwise provided in the Declaration or these By-Laws. No Condominium Unit shall be used in any unlawful manner or in any manner that might cause injury to the reputation of Newport Bay or that might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Condominium Units or neighboring property, including without limiting the generality of the foregoing, noise
by the use of any loud speakers, electrical equipment, amplifiers or other equipment or machines or loud person, and objectionable odors.

(g) The Common Areas and Limited Areas shall be kept free and clear of rubbish, debris and other unsightly materials. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common Area or Limited Areas.

(h) All Owners, guests, tenants or invitees, and all occupants of any Condominium Units or other Persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation. Use and enjoyment of the Condominium Units and Common Areas and Limited Areas includes but is not limited to rules relating to the keeping of animals, the parking or storage of vehicles or trailers and other matters incidental to the use of the Common Areas and Limited Areas.

Lease: No Owner may lease more than one Condominium Unit. A lease copy must be filed in the Newport Bay office before a tenant can qualify to use the common areas and facilities. Such lease agreement must be for a period of at least six (6) months.

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

(j) No Owner shall be allowed to place or cause to be placed in the Common or Limited Area lobbies, vestibules, stairways, hallways, garages, swimming pool area, exercise room, workroom, or areas of a similar nature and used for a similar purpose, any furniture or objects of any kind, without the consent of the Board.

(k) All garbage, trash and refuse shall be stored in appropriate containers inside the Condominium Unit (including the garage) or in an inconspicuous place with the Limited Area appurtenant thereto and shall be kept therein until no earlier than sundown of the evening before scheduled trash collection. In the event trash chutes are provided within the Building then such chute shall be used by the Owners in a clean and sanitary manner that does not clutter the flooring and discharge point into the chute. In the event such garbage, trash or refuse is too bulky to place within the trash chute then garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for scheduled trash collection and shall be placed at such locations for trash collection as are designated by the Board.

(l) No "for sale," "for rent" or "for lease" signs or other advertising display shall be maintained or permitted on the property without the prior written consent of the Board except one "for sale" sign not to exceed 12 inches by 16 inches may be placed inside one window of a unit.

(m) Common Areas and Limited Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the provisions of the Declaration, these By-Laws and the rules and regulations from time to time adopted by the Board.
(n) No use shall be made of any part of the Real Estate which violates, and all Owners, members of their families, their guests, tenants, invitees and all occupants or other Persons entitled to use or who may use any part of the Real Estate, shall at all times fully comply with, the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described in the Commitments Relative to Use or Development of Real Estate dated January 10, 1983, and recorded January 31, 1983, as Instrument No. 83-6821 in the Office of the Recorder of Marion County, Indiana.

(o) The Association shall have no right of first refusal to purchase any Condominium Unit which an Owner wishes to sell and an Owner may sell his/her Condominium Unit free of any such restriction.

(p) No industry, business, manufacturing, mercantile, storing, trade, or any commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property; provided, however, that an Owner may maintain an office or home business in the Condominium Unit if: (1) such office or business generates no significant number of visits or unreasonable parking usage (both as determined by the Board) by clients, customers or other persons related to the business; (2) no equipment or other items related to the business are stored, parked or otherwise kept outside such Owner's Condominium Unit; (3) there are no employees or independent contractors within the Condominium Unit other than the Owner or other resident; (4) such Owner has obtained approvals for such use as may be required by the appropriate local and state governmental agencies; and (5) all other provisions of these By-Laws, the Declaration and the rules and regulations are complied with. The Board may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use. No Condominium Unit shall be used or rented for transient, motel or hotel purposes.

(q) All rights and privileges are transferred with the title to a Condominium Unit. No rights or privileges belonging with a Condominium Unit may be excluded (withheld) at transfer of a Condominium Unit title (see garage and storage).

Section 7.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board. The Board shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners.

Section 7.03. Enforcement. The Association and any of its members shall have the right of enforcement of all restrictions and regulations adopted pursuant to this Article VII. Any costs including reasonable attorneys fees may be recovered from any Owner for violation thereof; however, any reservation of right to the use of summary abatement or similar means to enforce restrictions against a Condominium Unit or its use shall require that judicial proceedings be instituted before any items of construction can be altered or demolished.
ARTICLE VIII

Insurance

Section 8.01. Coverage. The Board of Directors on behalf of the Co-owners shall obtain, maintain and pay the premiums upon, as a Common Expense, and keep in full force and effect at all times the following insurance coverage underwritten by companies duly authorized to do business in Indiana:

(a) Casualty or physical damage insurance in an amount equal to the full replacement cost of all buildings and improvements (as hereinafter defined) and all personal property owned by the Association with "agreed amount" and "inflation guard" endorsements, without deduction or allowance for depreciation (as determined annually by the Board with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

(1) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for Common Expenses with respect to Condominium Units, during any period of repair or construction;

(2) such other risks as are customarily covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery, explosion or damage, and such other insurance as the Board may from time to time determine.

(b) Comprehensive public liability insurance in such amounts as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of the Property or any portion thereof. Such coverage shall be for at least One Million Dollars ($1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under the insurance policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and Limited Areas, and legal liability arising out of lawsuits related to employment contracts of the Association.

(1) Such liability insurance shall contain no provisions relieving the insurer from liability for loss occurring while the hazard is increased, whether or not within the knowledge or control of the Board, or because of any breach of any warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them.

(2) Such liability insurance shall provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer.
giving at least thirty (30) days prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer.

(c) Workmen's compensation and employer's liability insurance in respect to employees of the Association in the amounts and in the form necessary to comply with any applicable law.

(d) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors.

The provisions of this Section 8.01 shall not be construed to limit the power or authority of the Board to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or the Board may deem appropriate from time to time.

Section 8.02. Definition. As used in Section 8.01, the term "all buildings and improvements" means, without limitation, the Common Areas, Limited Areas, and the standard partition walls, fixtures, pipes, wires, conduits and installations installed in the Condominium Units as of the date of initial sale by Declarant, as shown on the Plans as amended from time to time, and replacements thereof, but does not mean any fixtures, alterations, installations or additions in or to a Condominium Unit made by an individual Owner of that Condominium Unit and not shown on the Plans. Fixtures, equipment and other personal property inside the Condominium Unit as shown on the Plans that will be financed by a first mortgage shall be included, whether or not such property is part of the Common Area.

Section 8.03. Form. Casualty insurance shall be carried in a form or forms naming as the insured the Association for the use and benefit of the Owners according to the loss or damage to their respective Condominium Units and Percentage Interest and payable in case of loss to Association. Every such policy of insurance shall:

(a) provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner;

(b) contain no provisions relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach or warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them;

(c) provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer;
(d) contain a waiver by the insurer of any right of subrogation to any right of the Board or Owners against any of them or any other Person under them;

(e) provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 10 of the Declaration;

(f) provide that the policy is primary in the event an Owner has other insurance covering the same loss.

(g) contain a standard mortgagee clause which shall

1. provide that any reference to a mortgagee in such policy shall mean and include any Mortgagee, whether or not named therein and, where applicable, name as mortgagee Federal National Mortgage Association or Federal Home Loan Mortgage Corporation or their respective servicers, successors and assigns;

2. provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or any Owner, or any Persons under any of them;

3. waive any provision invalidating such mortgagee clauses by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the Mortgagee pay any premium thereon, and any contribution clause;

4. provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association; and

Public liability and property damage insurance shall be carried in a form or forms naming as the insured the Board of Directors as trustee for each individual Owner, the Association, the Board of Directors, the Managing Agent, and any Person acting on behalf of the Association, and providing for payment of any proceeds therefrom to the Association. The Board shall promptly upon effecting such insurance deposit with each Owner a current certificate of such insurance, without prejudice to the right of any Owner to maintain additional public liability insurance for his Condominium Unit.

Section 8.04. Allocation of Insurance Proceeds. In the event of damage or destruction by fire or other cause to any part of the Property covered by insurance written in the name of the Board or Association as trustee for Co-owners and their Mortgagees, the following provisions shall apply:

(a) Common Areas and Limited Areas. Proceeds on account of damage to Common Areas and Limited Areas shall be allocated among the Co-owners in accordance with their respective Percentage Interests.

(b) Condominium Units. Proceeds on account of damage to Condominium Units shall be allocated as follows:
(1) If the Building in which the damaged Condominium Unit is located is to be restored, insurance proceeds shall be allocated to such Condominium Unit in the proportion that the cost of Restoration of such Condominium bears to the cost of Restoration of all damaged Condominium Units, such cost to be determined by the Board. In determining such cost, the Board shall not take into consideration the cost of repairing any items specifically excluded from insurance coverage pursuant to the provisions of Section 8.02.

(2) If the Building in which the damaged Condominium Unit is located is not to be restored, insurance proceeds shall be allocated to such Condominium Unit in accordance with the agreed amount of the replacement cost of such Condominium Unit.

(3) In the event a mortgage endorsement has been issued with respect to a particular Condominium Unit, the amount of the insurance proceeds allocated to the Owner of such Condominium Unit shall be held in trust for the Mortgagee and the Owner as their interests may appear, but no Mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be restored or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Owner and Mortgagee pursuant to the provisions of these By-Laws.

Section 8.05 Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Owners and their Mortgagees as their respective interests appear, in the following manner:

(a) Expense of Trust. All expenses of the Insurance Trustee, if applicable, shall be first paid or provision made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof pursuant to the provisions of Article IX. Any proceeds remaining after defraying such costs shall be retained by the Association and added to the reserve for replacements established pursuant to the reserve for replacements established pursuant to Section 6.04, except that, with respect to a Condominium Unit in which there was damage to items excluded from insurance coverage pursuant to Section 8.02, the Owner of such Condominium Unit shall be entitled to receive out of such remaining proceeds his pro-rata share thereof determined according to his Percentage Interest.

(c) Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed in accordance with Section 21 of the Act.

(d) Certificate. In making distributions to Owners and their mortgagees, the Board may rely upon its records as to the names of the Owners and their respective shares of the
distribution, and, with respect to the names of mortgagees, may rely upon a certificate from an
attorney-at-law who, or a title insurance company which, has examined the Mortgage Records
in the office of the Recorder of Marion County, Indiana, as to the names of the holders of
mortgages of record.

Section 8.06. Association as Owner's Agent. The Association, acting by its Board of Directors,
is hereby irrevocably appointed agent for each Owner and for each Owner of a mortgage or other lien
upon a Condominium Unit and for each owner of any other interest in the Property to negotiate all
claims arising under insurance policies purchased by the Board, and to execute and deliver releases
upon the payment of claims.

recommends that each Owner obtain, in addition to the insurance hereinabove provided to be obtained
by the Board of Directors, a policy insuring against loss or damage to personal property used or
incidental to the occupancy of the Condominium Unit, vandalism or malicious mischief, theft, personal
liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering
losses to improvements and betterments to the Condominium Unit made or acquired at the expense of
the Owner. Any Owner or Mortgagee may obtain additional insurance (including a "condominium
unit-owner's endorsement" for improvements and betterments to a Condominium Unit made or
acquired at the expense of the Owner) at his own expense. Such insurance shall provide that it shall be
without contribution as against the insurance maintained by the Board. Such insurance shall contain
the same waiver of subrogation provision as that set forth in Section 8.03(d). If an insured loss is
sustained on the Property and the amount of insurance proceeds that would otherwise be payable to
the Association is reduced due to proration of insurance purchased pursuant to this Section, the
Owner shall assign the proceeds of the personally purchased insurance, to the extent of the amount of
the reduction, to the Association to be distributed as provided in Section 8.05.

Section 8.08. Certificates. Upon request, the Association shall cause to be issued to each
Owner and each Mortgagee a certificate of insurance evidencing the insurance carried by the
Association.
ARTICLE IX

Damage or Destruction

Section 9.01. Procedure for Restoration or Repair. In the event of damage or destruction to the Common Property by fire, other cause, or as a result of condemnation, and Restoration or repair of the Property is required or authorized pursuant to Paragraph 10 or Paragraph 11 of the Declaration, such Restoration or repair shall be undertaken in accordance with the provisions of this Article.

Section 9.02. Estimate of Cost. Promptly after the occurrence of the damage or destruction to the Property that the Association has the responsibility to restore or repair, the Board shall obtain reliable and detailed estimates of the cost to restore or repair. The services of an architect to supervise the Restoration or repair and the disbursement of the construction funds shall be obtained as the Board may deem appropriate.

Section 9.03. Plans and Specifications. Any Restoration or repair must be either substantially in accordance with the Plans or according to plans and specifications approved by a Majority of Owners, and if damaged Property contains any Condominium Units, by all of the Owners of the damaged Condominium Units, which approval shall not be unreasonably withheld.

Section 9.04. Responsibility. If the damage is only to those parts of a Condominium Unit for which the responsibility of maintenance and repair is that of an Owner, then the Condominium Unit Owner shall be responsible for the cost of Restoration and repair unless such damage is specifically covered by the insurance purchased by the Board, in which event the Association shall be responsible for said costs.

Section 9.05. Deductibles. If the damage to property is caused by malfunction of property for which a home (unit) owner is responsible, such as but not limited to water damage, the homeowner whose property caused the damage must pay for repair or replacement of damaged property.

Section 9.06. Insurance Trustee. The Board of Directors may deposit funds for payment of the costs of Restoration or repair, which shall consist of the proceeds of insurance held by or payable to the Insurance Trustee, such amounts from the reserve for replacements as are authorized by the Board for the purpose of Restoration or repair, and the funds collected by the Board from Special Assessments against Owners, with an Insurance Trustee, if any, who shall apply or disburse the same in payment of the costs of Restoration or repair as provided in this Article. The duty of the Insurance Trustee shall be to receive such proceeds or awards as are paid and to hold the same in trust for the purposes herein and in the Declaration stated, and for the benefit of the Co-owners and their Mortgagees as herein and in the Declaration provided.

Section 9.07. Certificates. The Association's Board may rely upon a certificate provided by an architect, if any, employed by the Board to supervise the Restoration, or by the Board, with respect to the payments to be made to contractors undertaking the Restoration and/or repair.
ARTICLE X

Fiscal Management

Section 10.01. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 10.02. Books of Account. Books of account of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices, and shall include a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses.

Section 10.03. Inspection. All books, records and accounts, and all vouchers accrediting the entries made thereupon, shall be available for examination by an Owner or a Mortgagee or any duly authorized agent or attorney of an Owner or Mortgagee at any time during normal business hours for purposes reasonably related to his interest as an Owner.

Section 10.04. Auditing. Unless otherwise agreed by a Majority of Owners, at the close of each fiscal year, the books and accounts of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards.

Section 10.05. Annual Financial Statement. Prior to the annual meeting of the Association, the Board of Directors shall cause to be prepared and delivered to the Co-owners an annual financial statement, certified to by the Treasurer, showing all income and all disbursements of the Association during the previous fiscal year. To the extent possible, such financial statement shall be based upon the report prepared pursuant to Section 10.04. The requirements of this Section 10.05 shall be satisfied if the Board causes to be delivered to each Owner prior to the annual meeting of the Association a copy of the report prepared pursuant to Section 10.04.

Section 10.06. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by two officers of the Board, and all checks shall be executed on behalf of the Association by such officers, agents, or other individuals as are from time to time so authorized by the Board.
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ARTICLE XI

Amendment to By-Laws

Section 11.01. Procedure. Subject to any contrary, over-riding or superseding provisions set forth herein or in the Declaration, these By-Laws may be amended in the same manner, and subject to the same limitations and requirements as amendments to the Declaration, as set forth in Paragraph 14 of the Declaration. Amendments to these By-Laws shall be considered as amendments of the Declaration and shall be recorded in the Office of the Recorder of Marion County, Indiana, as required by the Declaration and the Act.

Section 11.02. Amended and Restated By-Laws. An amended and restated By-Laws, containing the original By-Laws and all amendments theretofore made, may be executed any time or from time to time by a majority of the then Board of Directors and shall, upon recording in the office of the Recorder of Marion County, Indiana, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original By-Laws and the various amendments thereto.
ARTICLE XII

Mortgages

Section 12.01. Notice to Association. Any Owner who places a first mortgage lien upon his Condominium Unit or the Mortgagee shall notify the Secretary thereof and provide the name and address of the Mortgagee. A record of such Mortgagee's name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these By-Laws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled to vote by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage.

Section 12.02. Notices to Mortgagees. The Association shall promptly provide to any Mortgagee of whom the Association has been provided notice under Section 12.01 of these By-Laws notice of any of the following:

(a) Any proposed termination of the Regime or any condemnation or casualty loss that affects either a material portion of Newport Bay or the Condominium Unit securing its mortgage;

(b) Any delinquency in the payment of Regular or Special Assessments owed by the Owner of any Condominium Unit on which said Mortgagee holds a mortgage, if said delinquency continues for more than sixty (60) days;

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

(d) Any proposed action that required the consent of a specified percentage of Mortgagees; and,

(e) Any proposed amendment of the Organizational Documents effecting a change in (i) the boundaries of any Condominium Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Areas or Limited Areas appertaining to any Condominium Unit or the liability for Common Expenses appertaining thereto, (iii) the Percentage Vote appertaining to a Condominium Unit or (iv) the purposes for which any Condominium Unit or the Common Areas are restricted.

Section 12.03. Notice of Unpaid Assessments. The Association shall, upon request of the Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Condominium Unit, furnish to such mortgagee or purchaser a statement setting forth the amount of
the unpaid Assessments against the Condominium Unit, which statement shall be binding upon the Association and the Co-owners, and any Mortgagee or grantee of the Condominium Unit shall not be liable for, nor shall the Condominium Unit conveyed by subject to a lien for, any unpaid Assessments in excess of the amount set forth in such statement or as such Assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 6.02 hereof.

Section 12.04. Financial Statements. Upon the request of any Mortgagee, the Association shall provide to said Mortgagee the most recent financial statement prepared on behalf of the Association pursuant to Section 10.04 and 10.05 of these By-Laws.
the unpaid Assessments against the Condominium Unit, which statement shall be binding upon the Association and the Co-owners, and any Mortgagee or grantee of the Condominium Unit shall not be liable for, nor shall the Condominium Unit conveyed by subject to a lien for, any unpaid Assessments in excess of the amount set forth in such statement or as such Assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 6.02 hereof.

Section 12.04. Financial Statements. Upon the request of any Mortgagee, the Association shall provide to said Mortgagee the most recent financial statement prepared on behalf of the Association pursuant to Section 10.04 and 10.05 of these By-Laws.
ARTICLE XIII

Miscellaneous

Section 13.01. Membership. Each Member shall automatically become a member of the Association upon delivering of title to a Condominium Unit. Such membership shall be non-transferable and membership shall automatically transfer to the new owner.

Section 13.02. Personal Interests. No Member shall have or receive any earnings from the Association, except a Member who is an officer, director or employee of the Association may receive fair and reasonable compensation for his services as officer, director or employee.
# APPENDIX A

**CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES**

**CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chimneys:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flashing (exterior)</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cleaning</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dock steps &amp; docks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common steps &amp; dock</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Private dock maintenance, repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Private steps maintenance, repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Ductwork:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Drive repairs:</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Dryer vents:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior vents</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Piping in wall only</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cleaning in wall only</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior doors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Door repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Hardware &amp; jams</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Operation &amp; adjustments</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior caulking, painting &amp; trim</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior frames &amp; thresholds</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior lights:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Face bricks:</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Fences (screening, privacy, patio) and gates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Painting</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Flower &amp; garden beds (incl. mulching):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Side &amp; rear of villas</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Within yards</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Front of villas &amp; other common beds</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>
APPENDIX A
CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES
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<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Furnaces &amp; air conditioners:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Inspection &amp; testing</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Service call to replace mechanical components</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Service call to replace non-mech. components</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair of mechanical components</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>(see Homeowners Manual for detailed list)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair of non-mechanical components</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>(see Homeowners Manual for detailed list)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Note:</strong> When repairs are made at the same time to items for which the Association is responsible and to items for which the homeowner is responsible, the cost of the service call will be split equally.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>HVAC add-on equipment:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humidifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Dehumidifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Water softeners</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Water purifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Air cleaners</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Interior repairs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settling cracks</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Appliances, lights, thermostats</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Caulking (interior)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing, electric, gas lines-outside unit boundaries</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing, electric, gas lines-inside unit boundaries</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing fixtures</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Lawn:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common and limited areas</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cutting</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Trimming</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Fertilization &amp; insects</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>
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<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Painting:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior of unit</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior of unit</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Patio concrete &amp; wooden decks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance, repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Extension with approval</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Road signs:</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Road repairs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common &amp; private streets</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Roofs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shingles &amp; flashing</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Gutters &amp; downspouts</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Roof leak damage:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair (exterior)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Repainting (interior)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Drywall</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Snow removal:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stoops &amp; sidewalks</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Common streets &amp; drives</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Storm doors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance, repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Installation</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Screens</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Termite control:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trees &amp; shrubs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pruning &amp; removal</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Fertilization &amp; spraying</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Weeding common &amp; limited area</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Additional planting</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>
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<tr>
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<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Villa garages:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor &amp; other interior repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door operation, openers, &amp; jams</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door exterior painting, framing &amp; trim</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Windows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skylights</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior framing &amp; trim</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior caulking &amp; painting</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Flashing</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior sills if separable from jams</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Sashes, jams, glass &amp; mechanism</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior sills if not separable from jams</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Operation &amp; adjustment</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Screens</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Window washing (exterior)</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>


Signed: [Signature]

Date: 10/28/2004

1402 Summer Street

- iv -
CODE OF BY-LAWS OF

NEWPORT BAY HORIZONTAL PROPERTY REGIME

AND OF

NEWPORT BAY OWNERS ASSOCIATION, INC.

PREPARED BY THE BOARD OF DIRECTORS
CODE OF BY-LAWS OF

NEWPORT BAY HORIZONTAL PROPERTY REGIME

AND OF

NEWPORT BAY OWNERS ASSOCIATION, INC.
AMENDED AND RESTATED
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

I. Identification and Applicability
   Section 1.01. Identification and Adoption ........................................ 1
   Section 1.02. Additional Definitions ................................................. 1
   Section 1.03. Individual Application .............................................. 2

II. Meetings of the Association
   Section 2.01. Purpose of Meetings .................................................. 3
   Section 2.02. Annual Meetings .......................................................... 3
   Section 2.03. Special Meetings .......................................................... 3
   Section 2.04. Notice and Place of Meeting ......................................... 3
   Section 2.05. Voting ........................................................................... 3
   Section 2.06. Conduct of Meetings .................................................... 4
   Section 2.07. Written Ballots ............................................................ 5

III. Board of Directors
   Section 3.01. Management .................................................................. 6
   Section 3.02. Additional Qualifications .............................................. 6
   Section 3.03. Term of Office and Vacancy .......................................... 6
   Section 3.04. Removal of Directors ..................................................... 6
   Section 3.05. Duties of the Board of Directors ..................................... 6
   Section 3.06. Powers of the Board of Directors .................................... 7
   Section 3.07. Limitation on Board Action ........................................... 8
   Section 3.08. Compensation ................................................................ 8
   Section 3.09. Meetings ....................................................................... 8
   Section 3.10. Waiver of Notice ............................................................ 9
   Section 3.11. Action Without a Meeting .............................................. 9
   Section 3.12. Quorum ....................................................................... 9
   Section 3.13. Standards of Conduct and Liability of Directors and Officers 9
   Section 3.15. Indemnification of Officers .......................................... 9
   Section 3.16. Transactions Involving Affiliates ................................... 10
   Section 3.17. Bonds ....................................................................... 10

IV. Officers
   Section 4.01. Officers of the Association .......................................... 11
   Section 4.02. Election of Officers ....................................................... 11
   Section 4.03. The President ................................................................. 11
   Section 4.04. The Vice President ......................................................... 11
   Section 4.05. The Secretary ................................................................. 11
   Section 4.06. The Treasurer ................................................................. 11
   Section 4.07. Assistant Officers ............................................................ 12

V. Management
   Section 5.01. Maintenance, Repairs and Replacements ..................... 13
   Section 5.02. Right of Entry ................................................................ 13
   Section 5.03. Alterations and Additions ............................................ 14
   Section 5.04. Real Estate Taxes ........................................................... 14
   Section 5.05. Utilities ..................................................................... 14
   Section 5.06. Limitation of Liability .................................................. 14
   Section 5.07. Negligence .................................................................. 14
   Section 5.08. Costs and Attorneys' Fees .......................................... 14

Article
VI. **Assessments**  
Section 6.01. Proposed Annual Budget ........................................... 15  
Section 6.02. Regular Assessments .................................................. 15  
Section 6.03. Special Assessments .................................................. 16  
Section 6.04. Reserve for Replacements .......................................... 16  
Section 6.05. General Operating Reserve ......................................... 16  
Section 6.06. Failure of Owner to Pay Assessments .......................... 17  
Section 6.07. Waiver of Lien Upon Foreclosure ................................ 17  

VII. **Restriction, Enforce and Rules and Regulations**  
Section 7.01. Restrictions on Use .................................................. 19  
Section 7.02. Right of Board to Adopt Rules and Regulations ............... 21  
Section 7.03. Enforcement ............................................................ 21  

VIII. **Insurance**  
Section 8.01. Coverage ................................................................. 22  
Section 8.02. Definition ............................................................... 23  
Section 8.03. Form ......................................................................... 23  
Section 8.04. Allocation of Insurance Proceeds ................................. 24  
Section 8.05. Distribution of Insurance Proceeds ............................... 25  
Section 8.06. Association as Owner's Agent ...................................... 26  
Section 8.07. Individual Policies - Recommendation of Association ...... 26  
Section 8.08. Certificates ............................................................... 26  

IX. **Damage or Destruction**  
Section 9.01. Procedure for Restoration or Repair ............................. 27  
Section 9.02. Estimate of Cost ......................................................... 27  
Section 9.03. Plans and Specifications ............................................. 27  
Section 9.04. Responsibility ............................................................ 27  
Section 9.05. Deductibles ............................................................... 27  
Section 9.06. Insurance Trustee ....................................................... 27  
Section 9.07. Certificates ............................................................... 27  

X. **Fiscal Management**  
Section 10.01. Fiscal Year ............................................................. 28  
Section 10.02. Books of Account ..................................................... 28  
Section 10.03. Inspection ............................................................... 28  
Section 10.04. Auditing ................................................................. 28  
Section 10.05. Annual Financial Statement ....................................... 28  
Section 10.06. Execution of Association Documents ......................... 28  

XI. **Amendment to By-Laws**  
Section 11.01. Procedure ............................................................. 29  
Section 11.02. Amended and Restated By-Laws .................................. 29  

XII. **Mortgages**  
Section 12.01. Notice to Association ................................................. 30  
Section 12.02. Notices to Mortgagees ................................................ 30  
Section 12.03. Notice of Unpaid Assessments .................................... 30  
Section 12.04. Financial Statements ................................................ 31  

XIII. **Miscellaneous**  
Section 13.01. Membership ........................................................... 32  
Section 13.02. Personal Interests .................................................... 32  

Appendix A
AMENDED AND RESTATED
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration creating Newport Bay Horizontal Property Regime to which these By-Laws are attached and made a part. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. Except as otherwise provided in Section 1.02 hereof, the definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws and reference is specifically made to Paragraph 1 of the Declaration containing definitions of terms. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association. These By-Laws shall also constitute the By-Laws of the Association.

Section 1.02. Additional Definitions. Notwithstanding any other definition in the Declaration, the following terms as used in these By-Laws shall have the following meanings:

(a) "Articles" means the Articles of Incorporation of the Association.

(b) "Assessment" means all sums lawfully assessed against the Owners or as declared or authorized by the Act, the Declaration, any Supplementary Declaration, the Articles, or these By-Laws.

(c) "Directors" means all the members of the Board of Directors and "Director" means any individual member thereof.

(d) "Managing Agent" means a reputable and recognized professional property management agent employed by the Board pursuant to Section 3.06.

(e) "Majority Vote" means a majority of the Percentage Vote present and voting at any duly constituted meeting of the Members at which a quorum is represented.

(f) "Member" means a member of the Association and "Members" means more than one member of the Association.

(g) "Regular Assessment" means the Assessment levied pursuant to Section 6.02.
(h) "Special Assessment" means the Assessment levied pursuant to Section 6.03.

(i) "Statute" means the Indiana Nonprofit Corporation Act of 1991, as the same may be amended from time to time.

(j) "Owner" means a Person who or which owns the fee simple title to a Condominium Unit. "Guest" is a visitor by invitation of an Owner or Resident. "Tenant" is one who has entered into a lease agreement with an Owner.

Section 1.03. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Condominium Unit or any part of the Property, shall be subject to the restrictions, terms and conditions set forth in the Declaration, the Articles, these By-Laws and the Act, and to any rules and regulations adopted by the Board as herein provided.
ARTICLE II

Meetings of the Association

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

Section 2.02. Annual Meetings. The annual meeting of the Members shall be held on the fourth Wednesday of October in each calendar year. At the annual meeting, the Owners shall elect the Board of Directors in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the Members may be called by the Association's President, by resolution of the Board or upon a written petition of Owners who have not less than ten percent (10%) of the Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Association (references herein to an officer shall be to that officer of the Association) and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meeting. All meetings of the Members shall be held at any suitable place in Marion County, Indiana, as may be designated by the Board. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary to each Member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Condominium Units and not otherwise. Any written notice delivered to the Owners as part of a newsletter or other publication regularly sent to the Owners constitutes a written notice. If an annual or special meeting of the Owners is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting before adjournment. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 12.01 of these By-Laws. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. All Persons who own a Condominium Unit shall jointly (and not severally) be entitled to cast one vote for each Condominium Unit they own on each matter coming before the meeting as to which they are entitled to vote.

12/20/07- 3 -
(b) **Multiple Owner.** When more than one (1) Person or entity constitutes the Owner of a particular Condominium Unit, all such Persons or entities shall be Members of the Association, but all of such Persons or entities shall have only one vote applicable to the Condominium Unit, which vote shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Condominium Unit. If such Persons cannot agree on how to cast the vote on a particular matter, there shall be no vote for that Condominium Unit.

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

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

(e) **Pledgees.** If the vote of an Owner or Owners has been pledged by mortgage, security agreement, conditional assignment, or other instrument, an executed copy of which has been filed with the Secretary, only the pledgee shall be entitled to cast the vote of such Owner or Owners upon those matters upon which the Owner or Owners vote is so pledged.

(f) **Quorum.** Except where otherwise expressly provided in the Declaration, these By-Laws, the Act or the Statute, a Majority of Owners shall constitute a quorum at all meetings of the Members. Proxies as defined in Section 2.05 (d) may be counted when establishing the existence of a quorum, however, the maximum number of proxies shall in no way exceed fifteen (15) equal to one fifth of the communal constituency; thus, a minimum of twenty-three homeowners must be physically present to qualify the assemblage as a properly constituted quorum.

**Section 2.06. Conduct of Meetings.**

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

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

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

(3) **Budget.** The proposed budget for the next fiscal year shall be presented to the
Owners for approval or amendment.

(4) **Election of Board of Directors.** Nominations for the Board may be made by
any Owner from those Persons eligible to serve. Such nominations must be in writing
and presented to the Secretary at least seven (7) days prior to the date of the annual
meeting. Voting for the Board will be by paper ballot. The ballot shall contain the name
of each Person nominated to serve as a member of the Board. Each Owner may cast the
total number of votes to which he is entitled for as many nominees as are to be elected;
however, he shall not be entitled to cumulate his votes. Those Persons receiving the
highest number of votes shall be elected. Each voting Owner shall sign his ballot.

(5) **Other Business.** Other business may be brought before the meeting only by
decision of the Board of Directors or upon a written request of an Owner submitted to the
Secretary of the Association at least seven (7) days prior to the date of the meeting, except
that such written request may be waived at the meeting if agreed by a Majority Vote.

(6) **Adjournment.**

"The following documents must be received by the Owners one week prior to the annual
meeting: (1) Minutes of the prior year’s annual meeting. (2) Treasurer’s Report for the current
year to date shown on the Budget Report (3) Proposed Budget for the next year."

(b) **Special Meeting.** The President shall act as chairman of any special meetings of the
Association if he is present. The chairman shall call the meeting to order at the duly designated
time and the only business to be considered at such meeting shall be the matters for which such
meeting was called, as set forth in the notice of such special meeting.

**Section 2.07. Written Ballots.** In lieu of any annual or special meeting of the Owners, written
ballots may be utilized in the manner prescribed in the Statute.
ARTICLE III

Board of Directors

Section 3.01. Management. The affairs of the Association and Newport Bay shall be governed and managed by the Board of Directors.

Section 3.02. Additional Qualifications. Where an Owner consists of more than one individual or is not a natural Person, then one of the individuals constituting the multiple Owner, or a partner, an officer or the trustee of an Owner shall be eligible to serve on the Board, except that no single Condominium Unit may be represented on the Board by more than one individual at a time.

Section 3.03. Term of Office and Vacancy. Three (3) members of the Board shall be elected at each annual meeting of the Association. Each member of the Board of Directors shall be elected for a term of three (3) years so that the terms of one-third (1/3) of the Directors shall expire annually. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.04. The Director so filling a vacancy shall serve until the next annual meeting of the Members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

Section 3.04. Removal of Directors. A Director or may be removed with or without cause by a Majority Vote of the Owners at a special meeting of the Members duly called and constituted for that purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Members or until his successor is duly elected and qualified.

Section 3.05. Duties of the Board of Directors. The Board shall provide for the administration of Newport Bay, the maintenance, upkeep and replacement in the Common Areas and Limited Areas (unless the same are otherwise the responsibility or duty of the Owners of Condominium Units), and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Association, employ a Managing Agent upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

(a) protection, repair and replacement of the Common Areas and Limited Areas, unless the same are otherwise the responsibility or duty of the Owners of Condominium Units; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Association, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
(b) procuring of utilities used in connection with Newport Bay, removal of garbage and waste, and snow removal from the Common Areas;

(c) landscaping, painting, decorating, furnishing, maintaining and repairing the Common Areas and, where applicable, the Limited Areas;

(d) surfacing, paving and maintaining drives, parking areas and sidewalks;

(e) washing and cleaning of exterior window surfaces of the Condominium Units;

(f) assessment and collection from the Owners of the Owner's share of the Common Expenses.

(g) preparation of the proposed annual budget;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year;

(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; and

(j) procuring and maintaining for the benefit of the Owners, the Association and the Board the insurance coverages required by Section 8.01 and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable.

(k) making available to Owners and Mortgagees for a reasonable charge current copies of the Declaration, By-Laws and rules and regulations governing Newport Bay ("Organization Documents") and any other books, records and financial statements of the Association. The Board shall also make available to prospective purchasers of Condominium Units current copies of the Organizational Documents and the most recent annual audited financial statement, if such statement has been prepared. "Available" means available for inspection upon request during normal business hours or under other reasonable circumstances and pursuant to the Statute. Upon written request by the United States Department of Housing and Urban Development or the Veterans Administration, the Board shall also prepare and furnish within a reasonable time an audited financial statement for the Association for the immediately preceding fiscal year.

Section 3.06. Powers of the Board of Directors. The Board shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

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

(b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board;
(c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of Newport Bay;

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

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

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

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

Section 3.07. Limitation on Board Action. The authority of the Board to enter into contracts shall be limited to contracts involving a total expenditure of less than $10,000.00 without obtaining the prior approval of a Majority Vote of the Owners, except that in the following cases such approval shall not be necessary;

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

(b) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; however, specific items within the budget need not be approved by the Owners at such annual meeting. The Board may also reallocate funds to items in the budget so long as the total budgeted funds are not exceeded and by doing so, the total budget will not be increased, and

(c) expenditures necessary to deal with emergency conditions in which the Board reasonably believes there is insufficient time to call a meeting of the Owners.

Section 3.08. Compensation. No Director shall receive any compensation for his services as a Director except to such extent as may be expressly authorized by a Majority Vote of the Owners. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 3.09. Meetings.

(a) Organization Meeting. The Board shall meet during January of each year for the purpose of organization, election of officers and consideration of any other business that may
properly be brought before the meeting, and no notice shall be necessary to any newly elected Directors in order to legally constitute such meeting if a quorum is present.

(b) Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. No written or verbal notice need be given to Directors for regularly scheduled Board meetings of which the Directors are already aware. For all other Board meetings, the Secretary shall give notice of the meeting of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

(c) Special Meetings. Special meetings of the Board may be called by the president or any two (2) members of the Board. The Director or Directors calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least three (3) days prior the date of such special meeting, give notice to the members of the Board. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Marion County, Indiana, as shall be designated in the notice.

Section 3.10. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his subsequent consent to the actions taken thereat, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a consent in writing setting forth such actions so taken is signed by all Directors and such written consent is filed with the minutes of the proceedings of the Board.

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

Section 3.13. Standards of Conduct and Liability of Directors and Officers. The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Association shall be as set forth in the Statute, as the same may be amended from time to time.

Section 3.14. Indemnification of Directors. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director of the Association shall be indemnified by the Association as provided in the Statute.

Section 3.15. Indemnification of Officers. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was an officer of the Association shall be indemnified by the Association as provided in the Statute.
In addition, every person (and the heirs and personal representatives of such person) who is or was an officer of the Association shall be indemnified by the Association to the same and fullest extent that directors are indemnified by the Association as provided for in the Statute.

Section 3.16. Transactions Involving Affiliates. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any Person (including Declarant or any shareholder of Declarant) in which one or more of the Directors are directors, officers, partners, or employees or are pecuniarily or otherwise interested shall be void or voidable because of this relationship or interest or because such Director or Directors are present at the meeting of the Board that authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose if:

(a) the fact of the affiliation or interest is disclosed or known to the Board and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote or consent sufficient for the purpose without counting the votes of the interested director; or

(b) the fact of the affiliation or interest is disclosed or known to the Co-owners; and they authorize, approve or ratify the contract or transaction in good faith by a vote or written consent sufficient for the purpose; or

(c) the contract or transaction is commercially fair and reasonable to the Association at the time it is authorized, ratified, approved or executed.

Affiliated or interested Directors may be counted in determining the presence of the quorum of any meeting of the Board thereof that authorizes, approves or ratifies any contract or transaction.

Section 3.17. Bonds. Blanket fidelity bonds shall be maintained by the Association for all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association. Where the Managing Agent has the responsibility for handling or administering funds of the Association, the Managing Agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association and the Association shall be named as an additional obligee thereon. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or Managing Agent, as the case may be, at any given time during the term of each bond. In no event, however, may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all Condominium Units plus reserve funds. The bonds shall contain waiver by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms of expressions. The expense of all such bonds shall be a Common Expense. The bonds may not be canceled or substantially modified without thirty (30) days notice in writing to the Association, the Insurance Trustee and each servicer of a FNMA (Fannie Mae) owned mortgage in the Property.
ARTICLE IV

Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in the judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of President and Secretary shall not be performed by the same person.

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

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

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

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

Section 4.06. The Treasurer. The Board shall elect a Treasurer who shall maintain a correct and complete record of accounts showing accurately at all times the financial condition of the Association and who shall perform such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designed by the Board and shall keep such bank account or accounts in the name of the Association. The Treasurer may permit the Managing Agent to handle and account for monies and other assets of the Association to the extent appropriate as part of its duties.
Section 4.07. Assistant Officers. The Board may, from time to time, designate and elect from among the Members as Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board may prescribe.
ARTICLE V

Management

Section 5.01. Maintenance, Repairs and Replacements. Except as otherwise described in Appendix A attached hereto and incorporated herein, the Association shall be responsible for maintenance, repairs and replacements outside the boundaries of the Condominium Units (defined in Paragraph 5 of the Declaration), and these costs shall be a Common Expense unless such repairs or replacements are the result of neglect or misuse of the area by an Owner.

Except as otherwise described in Appendix A attached hereto and incorporated herein, each Owner shall, at his expense, be responsible for maintenance, repairs and replacement within the boundaries his own Condominium Unit (defined in Paragraph 5 of the Declaration). Each Owner shall promptly perform all repairs within his Condominium Unit which, if neglected, might adversely affect the Property.

In the event that repair of any Condominium Unit is reasonably necessary in the discretion of the Board to protect the Common Areas or Limited Areas, or to preserve the appearance or value of the Property, or is otherwise in the interest of the general welfare of the Co-owners, the Board shall have the power to undertake such repair. No such repair shall be undertaken without a resolution by the Board, and after first informing the Owner in writing of the untenable condition of his property. The Board shall allow reasonable time for the Owner to respond in writing to the Board and to make repairs. Should the Owner refuse to comply with the Board's request, the Board shall have repairs made and the cost of any such repair shall be assessed against the Condominium Unit. A statement for the amount assessed shall be rendered promptly to the then Owner of the Condominium Unit, at which time the Assessment shall become due and payable and a continuing lien and obligation of said Owner in all respects as provided in Section 6.06 hereof.

Each Owner shall, at his expense, be responsible for the decoration and appearance of any balcony, patio, deck, or porch to which there is direct access from the interior of his Condominium Unit. Each Owner is responsible for the interior of each assigned storage area and for the appearance of the garage spaces assigned. There are or may be Optional Carport Limited Area as defined in the Declaration and the expenses and upkeep thereon shall be paid to the Association under the regular assessment procedures by the Owner having the exclusive use and enjoyment thereof.

The Board of Directors may adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas and Limited Areas (defined in Sections 6 and 7 of the Declarations).

Section 5.02. Right of Entry. The Board of Directors, the Managing Agent, or any other Person authorized by the Board or the Managing Agent shall have the right, at reasonable times and upon reasonable prior notice (except in cases of emergency in which event no notice shall be required), to enter into each individual Condominium Unit for the purposes of inspection of the Common Areas and Limited Areas appurtenant thereto and replacement, repair and maintenance of
the same. The Right of Entry” is dependent entirely upon the duty of the home owner to provide the Association with access to their premises.

Should the Association be compelled to force entry in order to deal with an emergency of whatever nature or kind all costs arising from and relating to the forced entry shall be borne solely by the home owner including but not limited to medical expense for injuries sustained by those individuals harmed in the process of coping with the emergency.

Section 5.03. Alterations and Additions. No Person shall make any alterations or additions to the Common Areas or Limited Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alteration or addition within the boundaries of his Condominium Unit that would affect the safety or structural integrity of the Building in which the Condominium Unit is located.

Section 5.04. Real Estate Taxes. Real estate taxes are to be separately taxed to each Condominium Unit as provided in the Statute.

Section 5.05. Utilities. Each Owner shall pay for his own utilities that are separately metered. Utilities that are not separately metered shall be treated as and paid as part of the Common Expenses, unless alternative payment arrangements are authorized by a Majority of Owners.

Section 5.06. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Common Expenses, or for injury or damage to person or property caused by the elements or by the Owner of any Condominium Unit, or any other Person, or resulting from electricity, water, snow, or ice that may leak or flow from any portion of the Common Areas or Limited Areas or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles that may be stored upon any of the Common Areas or Limited Areas. No diminution or abatement or Assessments for Common Expenses shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Limited Areas or from any action taken by the Association to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

Section 5.07. Negligence. Each Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his negligence or by that of his guests, employees, agents or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, or occupancy or abandonment of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

Section 5.08. Costs and Attorneys' Fees. In any proceeding arising because of failure of an Owner to make any payments required by, or to comply with any provisions of, the Declaration, the Act, these By-Laws, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the Association shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.
ARTICLE VI
Assessments

Section 6.01. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board shall cause to be prepared a proposed annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments for the next fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a Majority Vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall include the amounts required for funding the reserve accounts required by Section 6.04 and 6.05. The failure or delay of the Board to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined.

Section 6.02. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash required for the Common Expenses in the next fiscal year and required reserve amounts as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Condominium Unit. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as herein above provided. The Regular Assessment against each Condominium Unit shall be paid in advance in equal monthly installments, commencing on the first day of the first month of each fiscal year and on the first day of each month, monthly thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay monthly assessments in advance.

The Regular Assessments shall be payable in advance and shall commence at the time of closing and delivery of deed. In computing the initial payment the amount of the Regular Assessments shall be calculated by apportioning the payment based upon a thirty (30) day month until the due date for payment of the next Regular Assessment occurs.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Condominium Unit as of the first day of each fiscal year of the Association, even though the final determination of the amount of such Regular Assessment may not have been made
by that date. Installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statement to Owners for the same.

Section 6.03. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Condominium Unit, prorated in accordance with the Percentage Interest of each Condominium Unit. Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures or to pay for the cost of any repair or reconstruction of damage caused by fire or other cause or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described herein or in the Declaration.

Section 6.04. Reserve for Replacements. The Board of Directors shall cause to be established and maintained a reserve fund for replacements by the allocation and payment to such reserve fund not less often than annually of an amount determined by the Board to be sufficient to meet the costs of periodic maintenance, repair, renewal and replacement of the Common Areas and Limited Areas, including, but not limited to, painting the exterior of buildings, repairing or replacing the recreational facilities, and resurfacing, repairing or replacing streets, parking areas, sidewalks, roofs and other facilities and appurtenances. In determining the amount, the Board shall take into consideration the expected useful life of such Common Areas and Limited Areas, projected increases in the cost of materials and labor, interest to be earned by such funds, and the advice of the Managing Agent and any consultants the Board may employ. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The reserve for replacements may be expended for the purpose of effecting the periodic maintenance, repair, renewal and/or replacement of assets, chattels, equipment, property, real estate and/or accessories situated in the Common Areas and Limited Areas. The Board shall annually review the adequacy of the reserve fund. The proportionate interest of any Owner in any reserve for replacements shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.05. General Operating Reserve. The Board of Directors may establish and maintain a reserve fund for general operating expenses of a non-recurring nature by the allocation and payment to such reserve fund of such amount as the Board in its discretion determines to be reasonable under the circumstances. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The general operating reserve may be expended only for operating contingencies of a non-recurring nature. The proportionate interest of any Owner in any reserve fund for general operating expenses shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise
separated from the Condominium Unit to which it pertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.06. Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and, in the proper case, of the Limited Areas, of the Buildings, and toward any other expenses lawfully agreed upon, by waiver of the use of enjoyment of the Common Areas or by abandonment of the Condominium Unit belonging to him. Each Owner shall be personally liable for the payment of his Percentage Interest of all Assessments. Where the Owner constitutes more than one person, the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Assessment when due, a lien for such Assessment of the Owner’s Condominium Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by law; provided, however, any lien for delinquent Assessments or other charges that the Association has on a Condominium Unit will be subordinate to a first mortgage on the Condominium Unit. In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Condominium Unit, and the Board shall be entitled to the appointment of the receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Assessment without foreclosing or waiving the lien securing the same. In any action to recover an Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys’ fees, from the Owner of the respective Condominium Unit.

Upon the failure of an Owner to make payments of any Regular or Special Assessments within ten (10) days after such are due, the Board, in its discretion, may:

(a) impose a late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board of up to five percent (5%) of the amount of the Assessment; provided, however, that in no event shall the late charge be less than Twenty-Five Dollars ($25.00); said late charge to be levied on the eleventh day of each & every month thereafter until the Special or Regular Assessment in arrears has been satisfied by negotiable funds; the Association to be reimbursed for bank fees charged for checks rejected for insufficient funds (NSF) plus payment of a sum equal to 15% of the bank’s NSF fee; any NSF draft returned after the tenth of the month shall be deemed as being in arrears & such subject to the terms & amount of the late penalty as heretofore described.

(b) accelerate the entire balance of the unpaid Assessments for the remainder of the fiscal year and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary;

(c) suspend such Owner’s right to use the recreational facilities within Newport Bay as provided in the Statute; and
(d) suspend such Owner's right to vote as provided in the Statute.

**Section 6.07. Waiver of Lien Upon Foreclosure.** Notwithstanding anything to the contrary contained in the Declaration and these By-Laws, any sale or transfer of a Condominium Unit to a Mortgagee pursuant to a foreclosure of its mortgage or conveyance in lieu thereof, or a conveyance to any Person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Assessment as to such installments that became due prior to such sale, transfer or conveyance, but extinguishment of such lien shall not relieve the prior Owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Condominium Unit or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the Condominium Unit from which it arose), as provided in the Act.

**Section 6.08.** All Provisions of Article VI, Sections 6.01 through Section 6.07 shall have like application to property defined as Optional Carport Limited Area in the Declaration excepting the duties relating to Regular Assessments, Special Assessments, Reserve for Replacement, General Operating Reserve, Failure of Owner to Pay Assessments, and Waiver of Lien Upon Foreclosure shall be the responsibility and liability of the Owner of the exclusive beneficial use and enjoyment of the improvements upon the Optional Carport Limited Area and not a charge or obligation of the other Owners of Condominium Units in Newport Bay.
ARTICLE VII

Restriction, Entry and Rules and Regulations

Section 7.01. Restrictions on Use. The following restriction on the use and enjoyment of the Condominium Units, Common Areas, Limited Areas and the Property shall be applicable to Newport Bay:

(a) All Condominium Units shall be used exclusively for residential purposes and for occupancy by a single family all as permitted under local zoning ordinances. "Single Family" is defined as a single housekeeping unit, operating on a nonprofit, non-commercial basis between its occupants with a common kitchen and dining area.

(b) No additional buildings shall be erected or located on the Tract other than the Buildings designated in the Declaration, or a supplement or amendment to the Declaration, and shown on the Plans or plans filed with such a supplement or amendment to the Declaration, without the consent of the Board of Directors.

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

(d) No nuisance shall be permitted, including without limitation any activities which are unsafe or hazardous with respect to any person or property, and no waste shall be committed in any Condominium Unit, Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls or balcony of any Building, and no sign, awning, canopy, shutter, radio or television antenna, satellite dish or other attachment or thing shall be affixed to or be placed upon the exterior wall or roofs or any other parts of any Building without the prior written consent of the Board. Interior window and door drapes or coverings shall be of a neutral translucent color and texture or of the same color of the exterior facade surrounding the window or door.

(f) Nothing shall be done or permitted in any Condominium Unit that will impair the structural integrity of any Building or that would structurally change any Building or that would affect the exterior appearance of any Condominium Unit, except as otherwise provided in the Declaration or these By-Laws. No Condominium Unit shall be used in any unlawful manner or in any manner that might cause injury to the reputation of Newport Bay or that might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Condominium Units or neighboring property, including without limiting the generality of the
foregoing, noise by the use of any loud speakers, electrical equipment, amplifiers or other equipment or machines or loud person, and objectionable odors.

(g) The Common Areas and Limited Areas shall be kept free and clear of rubbish, debris and other unsightly materials. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common Area or Limited Areas.

(h) All Owners, guests, tenants or invitees, and all occupants of any Condominium Units or other Persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, Use and enjoyment of the Condominium Units and Common Areas and Limited Areas; includes but is not limited to rules relating to the keeping of animals, the parking or storage of vehicles or trailers and other matters incidental to the use of the Common Areas and Limited Areas.

Lease: No Owner may lease more than one Condominium Unit. A lease copy must be filed in the Newport Bay office before a tenant can qualify to use the common areas and facilities. Such lease agreement must be for a period of at least one (1) year. The maximum number of villas/condominiums collectively on lease at any given time not be more than four (4).

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

(j) No Owner shall be allowed to place or cause to be placed in the Common or Limited Area lobbies, vestibules, stairways, hallways, garages, swimming pool area, exercise room, workroom, or areas of a similar nature and used for a similar purpose, any furniture or objects of any kind, without the consent of the Board.

(k) All garbage, trash and refuse shall be stored in appropriate containers inside the Condominium Unit (including the garage) or in an inconspicuous place with the Limited Area appurtenant thereto and shall be kept therein until no earlier than sundown of the evening before scheduled trash collection. In the event trash chutes are provided within the Building then such chute shall be used by the Owners in a clean and sanitary manner that does not clutter the flooring and discharge point into the chute. In the event such garbage, trash or refuse is too bulky to place within the trash chute then garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for scheduled trash collection and shall be placed at such locations for trash collection as are designated by the Board.

(l) No "for sale," "for rent" or "for lease" signs or other advertising display shall be maintained or permitted on the property without the prior written consent of the Board except one "for sale" sign not to exceed 12 inches by 16 inches may be placed inside one window of a unit.

12/20/07- 20 -
(m) Common Areas and Limited Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the provisions of the Declaration, these By-Laws and the rules and regulations from time to time adopted by the Board.

(n) No use shall be made of any part of the Real Estate which violates, and all Owners, members of their families, their guests, tenants, invitees and all occupants or other Persons entitled to use or who may use any part of the Real Estate, shall at all times fully comply with, the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described in the Commitments Relative to Use or Development of Real Estate dated January 10, 1983, and recorded January 31, 1983, as Instrument No. 83-6821 in the Office of the Recorder of Marion County, Indiana.

(o) The Association shall have no right of first refusal to purchase any Condominium Unit which an Owner wishes to sell and an Owner may sell his/her Condominium Unit free of any such restriction.

(p) No industry, business, manufacturing, mercantile, storing, trade, or any commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property; provided, however, that an Owner may maintain an office or home business in the Condominium Unit if: (1) such office or business generates no significant number of visits or unreasonable parking usage (both as determined by the Board) by clients, customers or other persons related to the business; (2) no equipment or other items related to the business are stored, parked or otherwise kept outside such Owner’s Condominium Unit; (3) there are no employees or independent contractors within the Condominium Unit other than the Owner or other resident; (4) such Owner has obtained approvals for such use as may be required by the appropriate local and state governmental agencies; and (5) all other provisions of these By-Laws, the Declaration and the rules and regulations are complied with. The Board may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use. No Condominium Unit shall be used or rented for transient, motel or hotel purposes.

(q) All rights and privileges are transferred with the title to a Condominium Unit. No rights or privileges belonging with a Condominium Unit may be excluded (withheld) at transfer of a Condominium Unit title (see garage and storage).

Section 7.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board. The Board shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners.
Section 7.03. Enforcement. The Association and any of its members shall have the right of enforcement of all restrictions and regulations adopted pursuant to this Article VII. Any costs including reasonable attorneys fees may be recovered from any Owner for violation thereof; however, any reservation of right to the use of summary abatement or similar means to enforce restrictions against a Condominium Unit or its use shall require that judicial proceedings be instituted before any items of construction can be altered or demolished.
ARTICLE VIII

Insurance

Section 8.01. Coverage. The Board of Directors on behalf of the Co-owners shall obtain, maintain and pay the premiums upon, as a Common Expense, and keep in full force and effect at all times the following insurance coverage underwritten by companies duly authorized to do business in Indiana:

(a) Casualty or physical damage insurance in an amount equal to the full replacement cost of all buildings and improvements (as hereinafter defined) and all personal property owned by the Association with "agreed amount" and "inflation guard" endorsements, without deduction or allowance for depreciation (as determined annually by the Board with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

(1) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for Common Expenses with respect to Condominium Units, during any period of repair or construction;

(2) such other risks as are customarily covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery, explosion or damage, and such other insurance as the Board may from time to time determine.

(b) Comprehensive public liability insurance in such amounts as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of the Property or any portion thereof. Such coverage shall be for at least One Million Dollars ($1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under the insurance policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and Limited Areas, and legal liability arising out of lawsuits related to employment contracts of the Association.

(1) Such liability insurance shall contain no provisions relieving the insurer from liability for loss occurring while the hazard is increased, whether or not within the knowledge or control of the Board, or because of any breach of any warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them.

(2) Such liability insurance shall provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer.
giving at least thirty (30) days prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer.

(c) Workmen's compensation and employer's liability insurance in respect to employees of the Association in the amounts and in the form necessary to comply with any applicable law.

(d) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors.

The provisions of this Section 8.01 shall not be construed to limit the power or authority of the Board to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or the Board may deem appropriate from time to time.

Section 8.02. Definition. As used in Section 8.01, the term "all buildings and improvements" means, without limitation, the Common Areas, Limited Areas, and the standard partition walls, fixtures, pipes, wires, conduits and installations installed in the Condominium Units as of the date of initial sale by Declarant, as shown on the Plans as amended from time to time, and replacements thereof, but does not mean any fixtures, alterations, installations or additions in or to a Condominium Unit made by an individual Owner of that Condominium Unit and not shown on the Plans. Fixtures, equipment and other personal property inside the Condominium Unit as shown on the Plans that will be financed by a first mortgage shall be included, whether or not such property is part of the Common Area.

Section 8.03. Form. Casualty insurance shall be carried in a form or forms naming as the insured the Association for the use and benefit of the Owners according to the loss or damage to their respective Condominium Units and Percentage Interest and payable in case of loss to Association. Every such policy of insurance shall:

(a) provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner;

(b) contain no provisions relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach or warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them;

(c) provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer;
(d) contain a waiver by the insurer of any right of subrogation to any right of the Board or Owners against any of them or any other Person under them;

(e) provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 10 of the Declaration;

(f) provide that the policy is primary in the event an Owner has other insurance covering the same loss.

(g) contain a standard mortgagee clause which shall

(1) provide that any reference to a mortgagee in such policy shall mean and include any Mortgagee, whether or not named therein and, where applicable, name as mortgagee Federal National Mortgage Association or Federal Home Loan Mortgage Corporation or their respective servicers, successors and assigns;

(2) provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or any Owner, or any Persons under any of them;

(3) waive any provision invalidating such mortgagee clauses by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the Mortgagee pay any premium thereon, and any contribution clause;

(4) provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association; and

Public liability and property damage insurance shall be carried in a form or forms naming as the insured the Board of Directors as trustee for each individual Owner, the Association, the Board of Directors, the Managing Agent, and any Person acting on behalf of the Association, and providing for payment of any proceeds therefrom to the Association. The Board shall promptly upon effecting such insurance deposit with each Owner a current certificate of such insurance, without prejudice to the right of any Owner to maintain additional public liability insurance for his Condominium Unit.

Section 8.04. Allocation of Insurance Proceeds. In the event of damage or destruction by fire or other cause to any part of the Property covered by insurance written in the name of the Board or Association as trustee for Co-owners and their Mortgagees, the following provisions shall apply:

(a) Common Areas and Limited Areas. Proceeds on account of damage to Common Areas and Limited Areas shall be allocated among the Co-owners in accordance with their respective Percentage Interests.

(b) Condominium Units. Proceeds on account of damage to Condominium Units shall be allocated as follows:
(1) If the Building in which the damaged Condominium Unit is located is to be restored, insurance proceeds shall be allocated to such Condominium Unit in the proportion that the cost of Restoration of such Condominium bears to the cost of Restoration of all damaged Condominium Units, such cost to be determined by the Board. In determining such cost, the Board shall not take into consideration the cost of repairing any items specifically excluded from insurance coverage pursuant to the provisions of Section 8.02.

(2) If the Building in which the damaged Condominium Unit is located is not to be restored, insurance proceeds shall be allocated to such Condominium Unit in accordance with the agreed amount of the replacement cost of such Condominium Unit.

(3) In the event a mortgage endorsement has been issued with respect to a particular Condominium Unit, the amount of the insurance proceeds allocated to the Owner of such Condominium Unit shall be held in trust for the Mortgagee and the Owner as their interests may appear, but no Mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be restored or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Owner and Mortgagee pursuant to the provisions of these By-Laws.

Section 8.05. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Owners and their Mortgagees as their respective interests appear, in the following manner:

(a) Expense of Trust. All expenses of the Insurance Trustee, if applicable, shall be first paid or provision made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof pursuant to the provisions of Article IX. Any proceeds remaining after defraying such costs shall be retained by the Association and added to the reserve for replacements established pursuant to the reserve for replacements established pursuant to Section 6.04, except that, with respect to a Condominium Unit in which there was damage to items excluded from insurance coverage pursuant to Section 8.02, the Owner of such Condominium Unit shall be entitled to receive out of such remaining proceeds his pro-rata share thereof determined according to his Percentage Interest.

(c) Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed in accordance with Section 21 of the Act.

(d) Certificate. In making distributions to Owners and their mortgagees, the Board may rely upon its records as to the names of the Owners and their respective shares of the
distribution, and, with respect to the names of mortgagees, may rely upon a certificate from an
attorney-at-law who, or a title insurance company which, has examined the Mortgage Records
in the office of the Recorder of Marion County, Indiana, as to the names of the holders of
mortgages of record.

Section 8.06. Association as Owner’s Agent. The Association, acting by its Board of Directors,
is hereby irrevocably appointed agent for each Owner and for each Owner of a mortgage or other lien
upon a Condominium Unit and for each owner of any other interest in the Property to negotiate all
claims arising under insurance policies purchased by the Board, and to execute and deliver releases
upon the payment of claims.

recommends that each Owner obtain, in addition to the insurance hereinabove provided to be
obtained by the Board of Directors, a policy insuring against loss or damage to personal property used
or incidental to the occupancy of the Condominium Unit, vandalism or malicious mischief, theft,
personal liability and the like. Such policy should include a "condominium unit-owner’s
endorsement" covering losses to improvements and betterments to the Condominium Unit made or
acquired at the expense of the Owner. Any Owner or Mortgagee may obtain additional insurance
(including a "condominium unit-owner’s endorsement" for improvements and betterments to a
Condominium Unit made or acquired at the expense of the Owner) at his own expense. Such
insurance shall provide that it shall be without contribution as against the insurance maintained by the
Board. Such insurance shall contain the same waiver of subrogation provision as that set forth in
Section 8.03(d). If an insured loss is sustained on the Property and the amount of insurance proceeds
that would otherwise be payable to the Association is reduced due to proration of insurance purchased
pursuant to this Section, the Owner shall assign the proceeds of the personally purchased insurance,
to the extent of the amount of the reduction, to the Association to be distributed as provided in
Section 8.05.

Section 8.08. Certificates. Upon request, the Association shall cause to be issued to each
Owner and each Mortgagee a certificate of insurance evidencing the insurance carried by the
Association.
ARTICLE IX

Damage or Destruction

Section 9.01. Procedure for Restoration or Repair. In the event of damage or destruction to the Common Property by fire, other cause, or as a result of condemnation, and Restoration or repair of the Property is required or authorized pursuant to Paragraph 10 or Paragraph 11 of the Declaration, such Restoration or repair shall be undertaken in accordance with the provisions of this Article.

Section 9.02. Estimate of Cost. Promptly after the occurrence of the damage or destruction to the Property that the Association has the responsibility to restore or repair, the Board shall obtain reliable and detailed estimates of the cost to restore or repair. The services of an architect to supervise the Restoration or repair and the disbursement of the construction funds shall be obtained as the Board may deem appropriate.

Section 9.03. Plans and Specifications. Any Restoration or repair must be either substantially in accordance with the Plans or according to plans and specifications approved by a Majority of Owners, and if damaged Property contains any Condominium Units, by all of the Owners of the damaged Condominium Units, which approval shall not be unreasonably withheld.

Section 9.04. Responsibility. If the damage is only to those parts of a Condominium Unit for which the responsibility of maintenance and repair is that of an Owner, then the Condominium Unit Owner shall be responsible for the cost of Restoration and repair unless such damage is specifically covered by the insurance purchased by the Board, in which event the Association shall be responsible for said costs.

Section 9.05. Deductibles. If the damage to property is caused by malfunction of property for which a home (unit) owner is responsible, such as but not limited to water damage, the homeowner whose property caused the damage must pay for repair or replacement of damaged property.

Section 9.06. Insurance Trustee. The Board of Directors may deposit funds for payment of the costs of Restoration or repair, which shall consist of the proceeds of insurance held by or payable to the Insurance Trustee, such amounts from the reserve for replacements as are authorized by the Board for the purpose of Restoration or repair, and the funds collected by the Board from Special Assessments against Owners, with an Insurance Trustee, if any, who shall apply or disburse the same in payment of the costs of Restoration or repair as provided in this Article. The duty of the Insurance Trustee shall be to receive such proceeds or awards as are paid and to hold the same in trust for the purposes herein and in the Declaration stated, and for the benefit of the Co-owners and their Mortgagees as herein and in the Declaration provided.

Section 9.07. Certificates. The Association's Board may rely upon a certificate provided by an architect, if any, employed by the Board to supervise the Restoration, or by the Board, with respect to the payments to be made to contractors undertaking the Restoration and/or repair.
ARTICLE X

Fiscal Management

Section 10.01. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 10.02. Books of Account. Books of account of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices, and shall include a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses.

Section 10.03. Inspection. All books, records and accounts, and all vouchers accrediting the entries made thereupon, shall be available for examination by an Owner or a Mortgagee or any duly authorized agent or attorney of an Owner or Mortgagee at any time during normal business hours for purposes reasonably related to his interest as an Owner.

Section 10.04. Auditing. Unless otherwise agreed by a Majority of Owners, at the close of each fiscal year, the books and accounts of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards.

Section 10.05. Annual Financial Statement. Prior to the annual meeting of the Association, the Board of Directors shall cause to be prepared and delivered to the Co-owners an annual financial statement, certified to by the Treasurer, showing all income and all disbursements of the Association during the previous fiscal year. To the extent possible, such financial statement shall be based upon the report prepared pursuant to Section 10.04. The requirements of this Section 10.05 shall be satisfied if the Board causes to be delivered to each Owner prior to the annual meeting of the Association a copy of the report prepared pursuant to Section 10.04.

Section 10.06. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by two officers of the Board, and all checks shall be executed on behalf of the Association by such officers, agents, or other individuals as are from time to time so authorized by the Board.
ARTICLE XI

Amendment to By-Laws

Section 11.01. Procedure. Subject to any contrary, over-riding or superseding provisions set forth herein or in the Declaration, these By-Laws may be amended in the same manner, and subject to the same limitations and requirements as amendments to the Declaration, as set forth in Paragraph 14 of the Declaration. Amendments to these By-Laws shall be considered as amendments of the Declaration and shall be recorded in the Office of the Recorder of Marion County, Indiana, as required by the Declaration and the Act.

Section 11.02. Amended and Restated By-Laws. An amended and restated By-Laws, containing the original By-Laws and all amendments theretofore made, may be executed any time or from time to time by a majority of the then Board of Directors and shall, upon recording in the office of the Recorder of Marion County, Indiana, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original By-Laws and the various amendments thereto.
ARTICLE XII

Mortgages

Section 12.01. Notice to Association. Any Owner who places a first mortgage lien upon his Condominium Unit or the Mortgagee shall notify the Secretary thereof and provide the name and address of the Mortgagee. A record of such Mortgagee’s name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these By-Laws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled to vote by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage.

Section 12.02. Notices to Mortgagees. The Association shall promptly provide to any Mortgagee of whom the Association has been provided notice under Section 12.01 of these By-Laws notice of any of the following:

(a) Any proposed termination of the Regime or any condemnation or casualty loss that affects either a material portion of Newport Bay or the Condominium Unit securing its mortgage;

(b) Any delinquency in the payment of Regular or Special Assessments owed by the Owner of any Condominium Unit on which said Mortgagee holds a mortgage, if said delinquency continues for more than sixty (60) days;

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

(d) Any proposed action that required the consent of a specified percentage of Mortgagees; and,

(e) Any proposed amendment of the Organizational Documents effecting a change in (i) the boundaries of any Condominium Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Areas or Limited Areas appertaining to any Condominium Unit or the liability for Common Expenses appertaining thereto, (iii) the Percentage Vote appertaining to a Condominium Unit or (iv) the purposes for which any Condominium Unit or the Common Areas are restricted.

Section 12.03. Notice of Unpaid Assessments. The Association shall, upon request of the Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Condominium Unit, furnish to such mortgagee or purchaser a statement setting forth the amount of
the unpaid Assessments against the Condominium Unit, which statement shall be binding upon the Association and the Co-owners, and any Mortgagee or grantee of the Condominium Unit shall not be liable for, nor shall the Condominium Unit conveyed by subject to a lien for, any unpaid Assessments in excess of the amount set forth in such statement or as such Assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 6.02 hereof.

Section 12.04. Financial Statements. Upon the request of any Mortgagee, the Association shall provide to said Mortgagee the most recent financial statement prepared on behalf of the Association pursuant to Section 10.04 and 10.05 of these By-Laws.
ARTICLE XIII

Miscellaneous

Section 13.01. Membership. Each Member shall automatically become a member of the Association upon delivering of title to a Condominium Unit. Such membership shall be non-transferable and membership shall automatically transfer to the new owner.

Section 13.02. Personal Interests. No Member shall have or receive any earnings from the Association, except a Member who is an officer, director or employee of the Association may receive fair and reasonable compensation for his services as officer, director or employee.

***
# APPENDIX A

**CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES**

**CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chimneys:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flashing (exterior)</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cleaning</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Dock steps &amp; docks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common steps &amp; dock</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Private dock maintenance, repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Private steps maintenance, repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Ductwork:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Drive repairs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Dryer vents:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior vents</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Piping in wall only</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Cleaning in wall only</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior doors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Door repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Hardware &amp; jams</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Operation &amp; adjustments</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior caulking, painting &amp; trim</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior frames &amp; thresholds</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior lights:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Face bricks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fences (screening, privacy, patio) and gates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Painting</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Flower &amp; garden beds (incl. mulching):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Side &amp; rear of villas</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Within yards</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Front of villas &amp; other common beds</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

12/20/07  -  i -
# APPENDIX A

## CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES

### CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furnaces &amp; air conditioners:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Inspection &amp; testing</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Service call to replace mechanical components</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Service call to replace non-mech. components</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Parts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair of mechanical components (see Homeowners Manual for</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>detailed list)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement &amp; repair of non-mechanical components (see Homeowners Manual</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>for detailed list)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: When repairs are made at the same time to items for which the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Association is responsible and to items for which the homeowner is</td>
<td></td>
<td></td>
</tr>
<tr>
<td>responsible, the cost of the service call will be split equally.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HVAC add-on equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humidifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Dehumidifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Water softeners</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Water purifiers</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Air cleaners</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Interior repairs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settling cracks</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Appliances, lights, thermostats</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Caulking (interior)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing, electric, gas lines-outside unit boundaries</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Plumbing, electric, gas lines-inside unit boundaries</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Plumbing fixtures</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Lawn:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common and limited areas</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Cutting</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Trimming</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Fertilization &amp; insects</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

12/20/07- ii -
**APPENDIX A**

**CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES**

**CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Painting:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior of unit</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior of unit</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td><strong>Patio concrete &amp; wooden decks:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance, repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Extension with approval</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Road signs:</strong></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Road repairs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common &amp; private streets</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Roofs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shingles &amp; flashing</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Gutters &amp; downspouts</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Roof leak damage:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair (exterior)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Repainting (interior)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Drywall</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Snow removal:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stoops &amp; sidewalks</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Common streets &amp; drives</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Storm doors:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance, repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Installation</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Screens</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Termite control:</strong></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Trees &amp; shrubs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pruning &amp; removal</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Fertilization &amp; spraying</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Weeding common &amp; limited area</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Additional planting</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>
# APPENDIX A

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### CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>OWNER</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Villa garages:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor &amp; other interior repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door operation, openers, &amp; jams</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door repair &amp; replacement</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Door exterior painting, framing &amp; trim</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Windows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skylights</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior framing &amp; trim</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior caulking &amp; painting</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Flashing</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior sills if separable from jams</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Sashes, jams, glass &amp; mechanism</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Exterior sills if not separable from jams</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Operation &amp; adjustment</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Screens</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Window washing (exterior)</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>
This Correction Form has been permanently attached to and recorded with your documents by Data Entry for the following reason:

- Attachment/Exhibit Missing at Time of Recording
- Auditors Stamp Missing at Time of Recording
- Company Name Missing at Time of Recording
- Cross Reference Missing at Time of Recording
- Legal Description Incomplete/Illegible at Time of Recording
- Legal Description Missing at Time of Recording
- Property Not Located in Marion County
- Names Do Not Match Throughout Document
- Notary Incomplete at Time of Recording
- Original Document Number Missing at Time of Recording
- To/From/Other Party Missing at Time of Recording
- POA Number Missing at Time of Recording
- Signatures Missing at Time of Recording
- Affirmation Statement Listed in LC:36-2-11-15 Missing at Time of Recording
- Address Missing at Time of Recording
- Amount of Lien Missing at Time of Recording
- Name of Trust Missing at Time of Recording
- Scanned Image Illegible
- Assignment Needs to be Recorded as Separate Document
- Prepared By Missing at Time of Recording

Other:

Note: These documents have been recorded with this missing and/or incomplete information. If you would like to correct this information and re-record this document you may by cross referencing to the instrument number on these documents.
If you have any questions please contact Data Entry at 317-327-4042, Monday – Friday, 8:00a.m. – 4:30p.m.
AMENDED AND RESTATED

CODE OF BY-LAWS OF

NEWPORT BAY HORIZONTAL PROPERTY REGIME

AND OF

NEWPORT BAY OWNERS ASSOCIATION, INC.

PREPARED BY THE BOARD OF DIRECTORS

October 28, 2008
WITNESSETH

WHEREAS, the Newport Bay Horizontal Property Regime located in Marion County was established by a certain “Declaration of Horizontal Property Ownership for Newport Bay Horizontal Property Regime was recorded on February 25, 1988 as Instrument #88-16665 in the Office of the Recorder of Marion County, Indiana, said Declaration together with all amendments and/or supplements thereto being hereafter referred to as the “Declaration”; and

WHEREAS, the original code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. was attached to the Declaration and was thus recorded on the same day and under the same Instrument# 88-16665 as the Declaration (hereinafter, “By-Laws”); and

WHEREAS, Section 11.01 of the By-Laws states that the By-Laws may be amended in the same manner and subject to the same limitations and requirements as amendments to the Declaration; and

WHEREAS, Paragraph 14 of the Declaration states that it may be amended by a Majority of Owners, but that for certain amendments, the consent of a “Constitutional Majority” and the approval of seventy-five (75%) of Mortgagees shall be required; and

WHEREAS, in accordance with Article XII Section 12.01 of the By-Laws the Secretary of the Association has not been notified by any Owner(s) of the name & address(es) of Mortgagee(s) holding a first lien upon Condominium Unit(s) no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which it may otherwise may be entitled to vote pursuant to the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage; and

WHEREAS, the Annual Meeting of the Co-Owners and the Newport Bay Owners Association, Inc. was held on October 22, 2008.

WHEREAS, one of the purposes of said annual meeting as stated in the notice for the meeting was for the Co-Owners to vote upon the approval of the Amended & Restated Code of By-Laws as attached hereto; and

WHEREAS, at said annual meeting the Co-Owners representing more than a majority of the total Percentage Vote voted to accept and approve the Amended & Restated Code of By-Laws as attached hereto.
WHEREAS, a post registration audit by the Office of the Marion County Recorder of the Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc indexed the 3rd day of January, '08 as instrument #2008-0000681 identified two (2) missing requisites, to wit, an executed Certification and a Cross-Referenced Inventory of correlative filings, the attached Amended Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. which is incorporated herein by reference is in all respects identical in content to the aforementioned instrument#2008-0000681 with the exception of the insertion of the required executed Certification and Cross-Referenced Inventory of correlative filings accessions implemented to ensure the perfection of a valid registration with the Office of the Marion County Recorder.

WHEREAS to facilitate searches by third parties for the purpose of consulting the text of past By-Laws, Amendments & Supplemental Declarations the succeeding inventory of Instrument #’s registered with the Marion County Recorder is offered as cross references to The Amended Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. recorded concurrently herewith as Instrument #______________with the Marion County Recorder’s Office this__________day of November,2008.

88-16665; 88-58379; 88-75548; 89-81594; 90-90130; 91-18969; 91-50119; 91-50898;
91-89630; 91-132438 92-63713; 93-23245; 94-83551; 94-138667; 94-171681;
1997-0111008; 1999-0233126; 2001-0063124; 2005-0167674; 2008-0000681;
2008-0078150

NOW, THEREFORE, the Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. which is applicable to all Co-Owners and residents within Newport Bay is hereby amended and restated as described in the attached Amended & Restated Code of By-Laws which are incorporated herein by reference.

CERTIFICATION The undersigned persons hereby represent and certify that all requirements for conditions precedent to the amendment & restatement of the Code of By-Laws have been fulfilled and satisfied.

Certification To Amended & Restated Code of By-Laws
Executed this 3rd day of November 2008

NEWPORT BAY OWNERS ASSOCIATION, by:

[Signature]
Jacqueline N. Schmidt, President

Attest:

[Signature]
Bev Chambers, Vice President

STATE OF INDIANA
County of Marion

Before me, a notary public, in and for said County and State, personally appeared Jacqueline N. Schmidt and Bev Chambers, President & Vice President respectively of Newport Bay Owners Association, Inc., an Indiana nonprofit corporation, who acknowledged the execution of the within and foregoing Amended & Restated Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. for & on behalf of said corporation & its members and who being duly sworn, stated that the Certification and representations made therein are true. Witness my hand & notary seal this 3rd day of November 2008

My commission expires [Signature]

Notary Public - Signature

"I AFFIRM UNDER THE PENALTIES FOR PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT, UNLESS REQUIRED BY LAW."

[Signature]
AMENDED AND RESTATED
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

I. Identification and Applicability
   Section 1.01. Identification and Adoption ............................................. 1
   Section 1.02. Additional Definitions ..................................................... 1
   Section 1.03. Individual Application ................................................... 2

II. Meetings of the Association
   Section 2.01. Purpose of Meetings ....................................................... 3
   Section 2.02. Annual Meetings .............................................................. 3
   Section 2.03. Special Meetings ............................................................. 3
   Section 2.04. Notice and Place of Meeting ............................................ 3
   Section 2.05. Voting .............................................................................. 3
   Section 2.06. Conduct of Meetings ......................................................... 4
   Section 2.07. Written Ballots ................................................................ 5

III. Board of Directors
    Section 3.01. Management .................................................................... 6
    Section 3.02. Additional Qualifications .................................................. 6
    Section 3.03. Term of Office and Vacancy .............................................. 6
    Section 3.04. Removal of Directors ....................................................... 6
    Section 3.05. Duties of the Board of Directors ....................................... 6
    Section 3.06. Powers of the Board of Directors ...................................... 7
    Section 3.07. Limitation on Board Action .............................................. 8
    Section 3.08. Compensation .................................................................. 8
    Section 3.09. Meetings ......................................................................... 8
    Section 3.10. Waiver of Notice ............................................................... 9
    Section 3.11. Action Without a Meeting .................................................. 9
    Section 3.12. Quorum ......................................................................... 9
    Section 3.13. Standards of Conduct and Liability of Directors and Officers 9
    Section 3.14. Indemnification of Directors ............................................. 9
    Section 3.15. Indemnification of Officers ............................................... 9
    Section 3.16. Transactions Involving Affiliates ..................................... 10
    Section 3.17. Bonds .......................................................................... 10

IV. Officers
    Section 4.01. Officers of the Association .............................................. 11
    Section 4.02. Election of Officers ......................................................... 11
    Section 4.03. The President ................................................................. 11
    Section 4.04. The Vice President ......................................................... 11
    Section 4.05. The Secretary ................................................................. 11
    Section 4.06. The Treasurer ................................................................. 11
    Section 4.07. Assistant Officers ............................................................ 12

Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc.

October 28, 2008
V. **Management**
Section 5.01. Maintenance, Repairs and Replacements ........................................ 13
Section 5.02. Right of Entry ................................................................. 13
Section 5.03. Alterations and Additions ..................................................... 14
Section 5.04. Real Estate Taxes .............................................................. 14
Section 5.05. Utilities ........................................................................... 14
Section 5.06. Limitation of Liability ......................................................... 14
Section 5.07. Negligence ...................................................................... 14
Section 5.08. Costs and Attorneys' Fees .................................................. 14

VI. **Assessments**
Section 6.01. Proposed Annual Budget ..................................................... 16
Section 6.02. Regular Assessments ......................................................... 16
Section 6.03. Special Assessments .......................................................... 17
Section 6.04. Reserve for Replacements ................................................. 17
Section 6.05. General Operating Reserve ............................................... 17
Section 6.06. Failure of Owner to Pay Assessments .................................. 18
Section 6.07. Waiver of Lien Upon Foreclosure ....................................... 19
Section 6.08 All Provisions of Article VI, Sections 6.01 through Sections 6.07———— 19
18 Section 6.09 Failure of Owner To Pay Other Obligations ...................... 19

VII. **Restriction, Entry and Rules and Regulations**
Section 7.01. Restrictions on Use .......................................................... 20
Section 7.02. Right of Board to Adopt Rules and Regulations ..................... 22
Section 7.03. Enforcement ................................................................... 23

VIII. **Insurance**
Section 8.01. Coverage ....................................................................... 24
Section 8.02. Definition ....................................................................... 25
Section 8.03. Form ............................................................................. 25
Section 8.04. Allocation of Insurance Proceeds ........................................ 26
Section 8.05. Distribution of Insurance Proceeds ....................................... 27
Section 8.06. Association as Owner's Agent ............................................. 28
Section 8.07. Individual Policies - Recommendation of Association ........... 28
Section 8.08. Certificates .................................................................... 28

IX. **Damage or Destruction**
Section 9.01. Procedure for Restoration or Repair ................................. 29
Section 9.02. Estimate of Cost ............................................................... 29
Section 9.03. Plans and Specifications .................................................... 29
Section 9.04. Responsibility .................................................................. 29
Section 9.05. Deductibles .................................................................... 29
Section 9.06. Insurance Trustee ............................................................. 29
Section 9.07. Certificates .................................................................... 29

X. **Fiscal Management**
Section 10.01. Fiscal Year ................................................................... 31
Section 10.02. Books of Account .......................................................... 31
Section 10.03. Inspection ................................................................... 31
Section 10.04. Auditing ...................................................................... 31
Section 10.05. Annual Financial Statement ............................................. 31
Section 10.06. Execution of Association Documents .............................. 31

XI. **Amendment to By-Laws**
Section 11.01. Procedure ................................................................... 32

Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc.  
October 28, 2008
AMENDED AND RESTATED
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously
with the execution of a certain Declaration creating Newport Bay Horizontal Property Regime to
which these By-Laws are attached and made a part. The Declaration is incorporated herein by
reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply
to and govern the interpretation of these By-Laws. Except as otherwise provided in Section 1.02
hereof, the definitions and terms as defined and used in the Declaration shall have the same
meaning in these By-Laws and reference is specifically made to Paragraph 1 of the Declaration
containing definitions of terms. The provisions of these By-Laws shall apply to the Property and
the administration and conduct of the affairs of the Association. These By-Laws shall also
constitute the By-Laws of the Association.

Section 1.02. Additional Definitions. Notwithstanding any other definition in the
Declaration, the following terms as used in these By-Laws shall have the following meanings:

(a) "Articles" mean the Articles of Incorporation of the Association.

(b) "Assessment" means all sums lawfully assessed against the Owners or as declared or
authorized by the Act, the Declaration, any Supplementary Declaration, the Articles, or
these By-Laws.

(c) "Directors" means all the members of the Board of Directors and "Director" means
any individual member thereof.

(d) "Managing Agent" means a reputable and recognized professional property
management agent employed by the Board pursuant to Section 3.06.

(e) "Majority Vote" means a majority of the Percentage Vote present and voting at any
duly constituted meeting of the Members at which a quorum is represented.

(f) "Member" means a member of the Association and "Members" means more than one
member of the Association.

(g) "Regular Assessment" means the Assessment levied pursuant to Section 6.02.
(h) "Special Assessment" means the Assessment levied pursuant to Section 6.03.

(i) "Statute" means the Indiana Nonprofit Corporation Act of 1991, as the same may be amended from time to time.

(j) "Owner" means a Person who or which owns the fee simple title to a Condominium Unit. "Guest" is a visitor by invitation of an Owner or Resident. "Tenant" is one who has entered into a lease agreement with an Owner.

Section 1.03. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Condominium Unit or any part of the Property, shall be subject to the restrictions, terms and conditions set forth in the Declaration, the Articles, these By-Laws and the Act, and to any rules and regulations adopted by the Board as herein provided.
ARTICLE II

Meetings of the Association

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

Section 2.02. Annual Meetings. The annual meeting of the Members shall be held on the fourth Wednesday of October in each calendar year. At the annual meeting, the Owners shall elect the Board of Directors in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the Members may be called by the Association's President, by resolution of the Board or upon a written petition of Owners who have not less than ten percent (10%) of the Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Association (references herein to an officer shall be to that officer of the Association) and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meeting. All meetings of the Members shall be held at any suitable place in Marion County, Indiana, as may be designated by the Board. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary to each Member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Condominium Units and not otherwise. Any written notice delivered to the Owners as part of a newsletter or other publication regularly sent to the Owners constitutes a written notice. If an annual or special meeting of the Owners is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting before adjournment. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary to each Mortgagee (a) who requests in writing that such notice be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 12.01 of these By-Laws. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. All Persons who own a Condominium Unit shall jointly (and not severally) be entitled to cast one vote for each Condominium Unit they own on each matter coming before the meeting as to which they are entitled to vote.
(b) **Multiple Owners.** When more than one (1) Person or entity constitutes the Owner of a particular Condominium Unit, all such Persons or entities shall be Members of the Association, but all of such Persons or entities shall have only one vote applicable to the Condominium Unit, which vote shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Condominium Unit. If such Persons cannot agree on how to cast the vote on a particular matter, there shall be no vote for that Condominium Unit.

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

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

(e) **Pledges.** If the vote of an Owner or Owners has been pledged by mortgage, security agreement, conditional assignment, or other instrument, an executed copy of which has been filed with the Secretary, only the pledgee shall be entitled to cast the vote of such Owner or Owners upon those matters upon which the Owner or Owners vote is so pledged.

(f) **Quorum.** Except where otherwise expressly provided in the Declaration, these By-Laws, the Act or the Statute, a Majority of Owners shall constitute a quorum at all meetings of the Members. Proxies as defined in Section 2.05 (d) may be counted when establishing the existence of a quorum, however, the maximum number of proxies shall in no way exceed fifteen (15) equal to one fifth of the communal constituency; thus, a minimum of twenty-three homeowners must be physically present to qualify the assemblage as a properly constituted quorum.

**Section 2.06. Conduct of Meetings.**

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

1. **Reading of Minutes.** The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a Majority Vote.
(2) **Treasurer’s Report.** The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the current year to date and the proposed budget for the next year.

(3) **Budget.** The proposed budget for the next fiscal year shall be presented to the Owners for approval or amendment.

(4) **Election of Board of Directors.** Nominations for the Board may be made by any Owner from those Persons eligible to serve. Such nominations must be in writing and presented to the Secretary at least seven (7) days prior to the date of the annual meeting. Voting for the Board will be by paper ballot. The ballot shall contain the name of each Person nominated to serve as a member of the Board. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those Persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot.

(5) **Other Business.** Other business may be brought before the meeting only by decision of the Board of Directors or upon a written request of an Owner submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting, except that such written request may be waived at the meeting if agreed by a Majority Vote.

(6) **Adjournment.**

“The following documents must be received by the Owners one week prior to the annual meeting: (1) Minutes of the prior year’s annual meeting. (2) Treasurer’s Report for the current year to date shown on the Budget Report (3) Proposed Budget for the next year. “

(b) **Special Meeting.** The President shall act as chairman of any special meetings of the Association if he is present. The chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be the matters for which such meeting was called, as set forth in the notice of such special meeting.

**Section 2.07. Written Ballots.** In lieu of any annual or special meeting of the Owners, written ballots may be utilized in the manner prescribed in the Statute.
ARTICLE III

Board of Directors

Section 3.01. Management. The affairs of the Association and Newport Bay shall be governed and managed by the Board of Directors.

Section 3.02. Additional Qualifications. Where an Owner consists of more than one individual or is not a natural Person, then one of the individuals constituting the multiple Owner, or a partner, an officer or the trustee of an Owner shall be eligible to serve on the Board, except that no single Condominium Unit may be represented on the Board by more than one individual at a time.

Section 3.03. Term of Office and Vacancy. Three (3) members of the Board shall be elected at each annual meeting of the Association. Each member of the Board of Directors shall be elected for a term of three (3) years so that the terms of one-third (1/3) of the Directors shall expire annually. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is removed in accordance with Section 3.04. The Director so filling a vacancy shall serve until the next annual meeting of the Members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

Section 3.04. Removal of Directors. A Director or may be removed with or without cause by a Majority Vote of the Owners at a special meeting of the Members duly called and constituted for that purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Members or until his successor is duly elected and qualified.

Section 3.05. Duties of the Board of Directors. The Board shall provide for the administration of Newport Bay, the maintenance, upkeep and replacement in the Common Areas and Limited Areas (unless the same are otherwise the responsibility or duty of the Owners of Condominium Units), and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Association, employ a Managing Agent upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

(a) protection, repair and replacement of the Common Areas and Limited Areas, unless the same are otherwise the responsibility or duty of the Owners of Condominium Units; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Association, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
(b) procuring of utilities used in connection with Newport Bay, removal of garbage and waste, and snow removal from the Common Areas;

(c) landscaping, painting, decorating, furnishing, maintaining and repairing the Common Areas and, where applicable, the Limited Areas;

(d) surfacing, paving and maintaining drives, parking areas and sidewalks;

(e) washing and cleaning of exterior window surfaces of the Condominium Units;

(f) assessment and collection from the Owners of the Owner's share of the Common Expenses.

(g) preparation of the proposed annual budget;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year;

(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; and

(j) procuring and maintaining for the benefit of the Owners, the Association and the Board the insurance coverages required by Section 8.01 and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable.

(k) making available to Owners and Mortgagees for a reasonable charge current copies of the Declaration, By-Laws and rules and regulations governing Newport Bay ("Organization Documents") and any other books, records and financial statements of the Association. The Board shall also make available to prospective purchasers of Condominium Units current copies of the Organizational Documents and the most recent annual audited financial statement, if such statement has been prepared. "Available" means available for inspection upon request during normal business hours or under other reasonable circumstances and pursuant to the Statute. Upon written request by the United States Department of Housing and Urban Development or the Veterans Administration, the Board shall also prepare and furnish within a reasonable time an audited financial statement for the Association for the immediately preceding fiscal year.

Section 3.06. Powers of the Board of Directors. The Board shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

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

(b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board;
(c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of Newport Bay;

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

(e) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs there from;

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

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

Section 3.07. Limitation on Board Action. The authority of the Board to enter into contracts shall be limited to contracts involving a total expenditure of less than $10,000.00 without obtaining the prior approval of a Majority Vote of the Owners, except that in the following cases such approval shall not be necessary:

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

(b) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; however, specific items within the budget need not be approved by the Owners at such annual meeting. The Board may also reallocate funds to items in the budget so long as the total budgeted funds are not exceeded and by doing so, the total budget will not be increased, and

(c) expenditures necessary to deal with emergency conditions in which the Board reasonably believes there is insufficient time to call a meeting of the Owners.

Section 3.08. Compensation. No Director shall receive any compensation for his services as a Director except to such extent as may be expressly authorized by a Majority Vote of the Owners. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 3.09. Meetings.

(a) Organization Meeting. The Board shall meet during January of each year for the purpose of organization, election of officers and consideration of any other business that may properly be brought before the meeting, and no notice shall be necessary to any newly elected Directors in order to legally constitute such meeting if a quorum is present.
(b) Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. No written or verbal notice need be given to Directors for regularly scheduled Board meetings of which the Directors are already aware. For all other Board meetings, the Secretary shall give notice of the meeting of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

(c) Special Meetings. Special meetings of the Board may be called by the president or any two (2) members of the Board. The Director or Directors calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least three (3) days prior the date of such special meeting, give notice to the members of the Board. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Marion County, Indiana, as shall be designated in the notice.

Section 3.10. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his subsequent consent to the actions taken thereat, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a consent in writing setting forth such actions so taken is signed by a majority of the Directors and such written consent is filed with the minutes of the of the next Board meeting.

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

Section 3.13. Standards of Conduct and Liability of Directors and Officers. The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Association shall be as set forth in the Statute, as the same may be amended from time to time.

Section 3.14. Indemnification of Directors. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director of the Association shall be indemnified by the Association as provided in the Statute.

Section 3.15. Indemnification of Officers. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was an officer of the Association shall be indemnified by the Association as provided in the Statute. In addition, every person (and the heirs and personal representatives of such person) who is or was an officer of the Association shall be indemnified by the Association to
the same and fullest extent that directors are indemnified by the Association as provided for in
the Statute.

Section 3.16. Transactions Involving Affiliates. No contract or other transaction between
the Association and one or more of its Directors, or between the Association and any Person
(including Declarant or any shareholder of Declarant) in which one or more of the Directors are
directors, officers, partners, or employees or are pecuniarily or otherwise interested shall be void
or voidable because of this relationship or interest or because such Director or Directors are
present at the meeting of the Board that authorizes or approves the contract or transaction, or
because his or their votes are counted for such purpose if:

(a) the fact of the affiliation or interest is disclosed or known to the Board and the Board
authorizes, approves, or ratifies such contract or transaction in good faith by a vote or
consent sufficient for the purpose without counting the votes of the interested director; or

(b) the fact of the affiliation or interest is disclosed or known to the Co-owners; and they
authorize, approve or ratify the contract or transaction in good faith by a vote or written
consent sufficient for the purpose; or

(c) the contract or transaction is commercially fair and reasonable to the Association at
the time it is authorized, ratified, approved or executed.

Affiliated or interested Directors may be counted in determining the presence of the
quorum of any meeting of the Board thereof that authorizes, approves or ratifies any contract or
transaction.

Section 3.17. Bonds. Blanket fidelity bonds shall be maintained by the Association for all
officers, directors and employees of the Association and all other persons handling, or
responsible for, funds of or administered by the Association. Where the Managing Agent has the
responsibility for handling or administering funds of the Association, the Managing Agent shall
be required to maintain fidelity bond coverage for its officers, employees and agents handling or
responsible for funds of, or administered on behalf of, the Association and the Association shall
be named as an additional obligee thereon. Such fidelity bonds shall name the Association as an
obligee and shall not be less than the estimated maximum of funds, including reserve funds, in
the custody of the Association or Managing Agent, as the case may be, at any given time during
the term of each bond. In no event, however, may the aggregate amount of such bonds be less
than a sum equal to three (3) months' aggregate assessments on all Condominium Units plus
reserve funds. The bonds shall contain waiver by the issuers of the bonds of all defenses based
upon the exclusion of persons serving without compensation from the definition of "employees"
or similar terms of expressions. The expense of all such bonds shall be a Common Expense.
The bonds may not be canceled or substantially modified without thirty (30) days notice in
writing to the Association, the Insurance Trustee and each servicer of a FNMA (Fannie Mae)
owned mortgage in the Property.
ARTICLE IV

Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in the judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. The officers of the Association shall be elected at the regular meeting of the Board. Upon an affirmative vote of a majority of the Directors present at a meeting of the Board or at any special meeting of the Board called for such purpose.

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

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

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

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

Section 4.07. Assistant Officers. The Board may, from time to time, designate and elect
from among the Members as Assistant Secretary and an Assistant Treasurer who shall have such
powers and duties as the officers whom they are elected to assist shall delegate to them and such
other powers and duties as these By-Laws or the Board may prescribe.
ARTICLE V

Management

Section 5.01. Maintenance, Repairs and Replacements. Except as otherwise described in Appendix A attached hereto and incorporated herein, the Association shall be responsible for maintenance, repairs and replacements outside the boundaries of the Condominium Units (defined in Paragraph 5 of the Declaration), and these costs shall be a Common Expense unless such repairs or replacements are the result of neglect or misuse of the area by an Owner.

Except as otherwise described in Appendix A attached hereto and incorporated herein, each Owner shall, at his expense, be responsible for maintenance, repairs and replacement within the boundaries his own Condominium Unit (defined in Paragraph 5 of the Declaration). Each Owner shall promptly perform all repairs within his Condominium Unit which, if neglected, might adversely affect the Property.

In the event that repair of any Condominium Unit is reasonably necessary in the discretion of the Board to protect the Common Areas or Limited Areas, or to preserve the appearance or value of the Property, or is otherwise in the interest of the general welfare of the Co-owners, the Board shall have the power to undertake such repair. No such repair shall be undertaken without a resolution by the Board, and after first informing the Owner in writing of the untenable condition of his property. The Board shall allow reasonable time for the Owner to respond in writing to the Board and to make repairs. Should the Owner refuse to comply with the Board's request, the Board shall have repairs made and the cost of any such repair shall be assessed against the Condominium Unit. A statement for the amount assessed shall be rendered promptly to the then Owner of the Condominium Unit, at which time the Assessment shall become due and payable and a continuing lien and obligation of said Owner in all respects as provided in Section 6.06 hereof.

Each Owner shall, at his expense, be responsible for the decoration and appearance of any balcony, patio, deck, or porch to which there is direct access from the interior of his Condominium Unit. Each Owner is responsible for the interior of each assigned storage area and for the appearance of the garage spaces assigned. There are or may be Optional Carport Limited Area as defined in the Declaration and the expenses and upkeep thereon shall be paid to the Association under the regular assessment procedures by the Owner having the exclusive use and enjoyment thereof.

The Board of Directors may adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas and Limited Areas (defined in Sections 6 and 7 of the Declarations).

Section 5.02. Right of Entry. The Board of Directors, the Managing Agent, or any other Person authorized by the Board or the Managing Agent shall have the right, at reasonable times and upon reasonable prior notice (except in cases of emergency in which event no notice shall be required), to enter into each individual Condominium Unit for the purposes of inspection of the
Common Areas and Limited Areas appurtenant thereto and replacement, repair and maintenance of the same. The Right of Entry” is dependent entirely upon the duty of the home owner to provide the Association with access to their premises.

Should the Association be compelled to force entry in order to deal with an emergency of whatever nature or kind all costs arising from and relating to the forced entry shall be borne solely by the home owner including but not limited to medical expense for injuries sustained by those individuals harmed in the process of coping with the emergency.

Section 5.03. Alterations and Additions. No Person shall make any alterations or additions to the Common Areas or Limited Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alteration or addition within the boundaries of his Condominium Unit that would affect the safety or structural integrity of the Building in which the Condominium Unit is located.

Section 5.04. Real Estate Taxes. Real estate taxes are to be separately taxed to each Condominium Unit as provided in the Statute.

Section 5.05. Utilities. Each Owner shall pay for his own utilities that are separately metered. Utilities that are not separately metered shall be treated as and paid as part of the Common Expenses, unless alternative payment arrangements are authorized by a Majority of Owners.

Section 5.06. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Common Expenses, or for injury or damage to person or property caused by the elements or by the Owner of any Condominium Unit, or any other Person, or resulting from electricity, water, snow, or ice that may leak or flow from any portion of the Common Areas or Limited Areas or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles that may be stored upon any of the Common Areas or Limited Areas. No diminution or abatement or Assessments for Common Expenses shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Limited Areas or from any action taken by the Association to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

Section 5.07. Negligence. Each Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his negligence or by that of his guests, employees, agents or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, or occupancy or abandonment of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

Section 5.08. Costs and Attorneys’ Fees. In any proceeding arising because of failure of an Owner to make any payments required by, or to comply with any provisions of, the Declaration, the Act, these By-Laws, or the rules and regulations adopted pursuant thereto, as
each may be amended from time to time, the Association shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.
ARTICLE VI

Assessments

Section 6.01. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board shall cause to be prepared a proposed annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments for the next fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a Majority Vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall include the amounts required for funding the reserve accounts required by Section 6.04 and 6.05. The failure or delay of the Board to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined.

Section 6.02. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash required for the Common Expenses in the next fiscal year and required reserve amounts as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Condominium Unit. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as herein above provided. The Regular Assessment against each Condominium Unit shall be paid in advance in equal monthly installments, commencing on the first day of the first month of each fiscal year and on the first day of each month, monthly thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay monthly assessments in advance.

The Regular Assessments shall be payable in advance and shall commence at the time of closing and delivery of deed. In computing the initial payment the amount of the Regular Assessments shall be calculated by apportioning the payment based upon a thirty (30) day month until the due date for payment of the next Regular Assessment occurs.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Condominium Unit as of the first day of each fiscal year of the Association,
even though the final determination of the amount of such Regular Assessment may not have been made by that date. Installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statement to Owners for the same.

Section 6.03. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Condominium Unit, prorated in accordance with the Percentage Interest of each Condominium Unit. Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures or to pay for the cost of any repair or reconstruction of damage caused by fire or other cause or disaster to the extent insurance proceeds are insufficient therefore under the circumstances described herein or in the Declaration.

Section 6.04. Reserve for Replacements. The Board of Directors shall cause to be established and maintained a reserve fund for replacements by the allocation and payment to such reserve fund not less often than annually of an amount determined by the Board to be sufficient to meet the costs of periodic maintenance, repair, renewal and replacement of the Common Areas and Limited Areas, including, but not limited to, painting the exterior of buildings, repairing or replacing the recreational facilities, and resurfacing, repairing or replacing streets, parking areas, sidewalks, roofs and other facilities and appurtenances. In determining the amount, the Board shall take into consideration the expected useful life of such Common Areas and Limited Areas, projected increases in the cost of materials and labor, interest to be earned by such funds, and the advice of the Managing Agent and any consultants the Board may employ. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The reserve for replacements may be expended for the purpose of effecting the periodic maintenance, repair, renewal and/or replacement of assets, chattels, equipment, property, real estate and/or accessories situated in the Common Areas and Limited Areas. The Board shall annually review the adequacy of the reserve fund. The proportionate interest of any Owner in any reserve for replacements shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.05. General Operating Reserve. The Board of Directors may establish and maintain a reserve fund for general operating expenses of a non-recurring nature by the allocation and payment to such reserve fund of such amount as the Board in its discretion determines to be reasonable under the circumstances. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The general operating reserve may be expended only for operating contingencies of a non-recurring
nature. The proportionate interest of any Owner in any reserve fund for general operating expenses shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it pertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.06. Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and, in the proper case, of the Limited Areas, of the Buildings, and toward any other expenses lawfully agreed upon, by waiver of the use of enjoyment of the Common Areas or by abandonment of the Condominium Unit belonging to him. Each Owner shall be personally liable for the payment of his Percentage Interest of all Assessments. Where the Owner constitutes more than one person, the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Assessment when due, a lien for such Assessment of the Owner’s Condominium Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by law; provided, however, any lien for delinquent Assessments or other charges that the Association has on a Condominium Unit will be subordinate to a first mortgage on the Condominium Unit. In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Condominium Unit, and the Board shall be entitled to the appointment of the receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits there from for the benefit of the Association to be applied to the unpaid Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Assessment without foreclosing or waiving the lien securing the same. In any action to recover an Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys’ fees, from the Owner of the respective Condominium Unit.

Upon the failure of an Owner to make payments of any Regular or Special Assessments within ten (10) days after such are due, the Board, in its discretion, may:

(a) impose a late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board of up to five percent (5%) of the amount of the Assessment; provided, however, that in no event shall the late charge be less than Twenty-Five Dollars ($25.00); said late charge to be levied on the eleventh day of each & every month thereafter until the Special or Regular Assessment in arrears has been satisfied by negotiable funds; the Association to be reimbursed for bank fees charged for checks rejected for insufficient funds (NSF) plus payment of a sum equal to 15% of the bank’s NSF fee; any NSF draft returned after the tenth of the month shall be deemed as being in arrears & such subject to the terms & amount of the late penalty as heretofore described.

(b) accelerate the entire balance of the unpaid Assessments for the remainder of the fiscal year and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary;

(c) suspend such Owner’s right to use the recreational facilities within Newport Bay as
provided in the Statute; and

(d) suspend such Owner's right to vote as provided in the Statute.

Section 6.07. Waiver of Lien Upon Foreclosure. Notwithstanding anything to the contrary contained in the Declaration and these By-Laws, any sale or transfer of a Condominium Unit to a Mortgagee pursuant to a foreclosure of its mortgage or conveyance in lieu thereof, or a conveyance to any Person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Assessment as to such installments that became due prior to such sale, transfer or conveyance, but extinguishment of such lien shall not relieve the prior Owner from personal liability therefore. No such sale, transfer or conveyance shall relive the Condominium Unit or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Assessments thereafter becoming due or from the lien therefore. Such unpaid share of any Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the Condominium Unit from which it arose), as provided in the Act.

Section 6.08 For nonpayment of any & all indebtedness, liability, obligation, charges, expenses arising for whatever reason whatsoever over & beyond Maintenance Fees & Special Assessments the Association through its Board of Directors shall be empowered to encumber a homeowner’s residence within the Association’s domain with a legally enforceable lien for the principal amount of the liability plus, filing charges, attorney fees, court costs, late penalties together with interest on the aggregate claim at the maximum rate permitted by state statute. Foreclosure proceedings may be initiated at the option of the Board of Directors when deemed in the best interests of the Association without regard to any preliminaries except those prescribed by law. Prior to perfecting of a lien as heretofore mentioned the Association shall send via registered mail a written thirty (30) day notice establishing expressly why the homeowner owes the stated amount attended by reference to an enclosed copy of this article thus ensuring the homeowner’s awareness of the consequences for failure to discharge the obligation.

Section 6.09 All Provisions of Article VI, Sections 6.01 through Section 6.07 shall have like application to property defined as Optional Carport Limited Area in the Declaration excepting the duties relating to Regular Assessments, Special Assessments, Reserve for Replacement, General Operating Reserve, Failure of Owner to Pay Assessments, and Waiver of Lien Upon Foreclosure shall be the responsibility and liability of the Owner of the exclusive beneficial use and enjoyment of the improvements upon the Optional Carport Limited Area and not a charge or obligation of the other Owners of Condominium Units in Newport Bay.
ARTICLE VII

Restriction, Entry and Rules and Regulations

Section 7.01. Restrictions on Use. The following restriction on the use and enjoyment of the Condominium Units, Common Areas, Limited Areas and the Property shall be applicable to Newport Bay:

(a) All Condominium Units shall be used exclusively for residential purposes and for occupancy by a single family all as permitted under local zoning ordinances. "Single Family" is defined as a single housekeeping unit, operating on a nonprofit, non-commercial basis between its occupants with a common kitchen and dining area.

(b) No additional buildings shall be erected or located on the Tract other than the Buildings designated in the Declaration, or a supplement or amendment to the Declaration, and shown on the Plans or plans filed with such a supplement or amendment to the Declaration, without the consent of the Board of Directors.

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

(d) No nuisance shall be permitted, including without limitation any activities which are unsafe or hazardous with respect to any person or property, and no waste shall be committed in any Condominium Unit, Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls or balcony of any Building, and no sign, awning, canopy, shutter, radio or television antenna, satellite dish or other attachment or thing shall be affixed to or be placed upon the exterior wall or roofs or any other parts of any Building without the prior written consent of the Board. Interior window and door drapes or coverings shall be of a neutral translucent color and texture or of the same color of the exterior facade surrounding the window or door.

(f) Nothing shall be done or permitted in any Condominium Unit that will impair the structural integrity of any Building or that would structurally change any Building or that would affect the exterior appearance of any Condominium Unit, except as otherwise provided in the Declaration or these By-Laws. No Condominium Unit shall be used in any unlawful manner or in any manner that might cause injury to the reputation of Newport Bay or that might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Condominium Units or neighboring property, including without limiting the
generality of the foregoing, noise by the use of any loud speakers, electrical equipment, amplifiers or other equipment or machines or loud person, and objectionable odors.

(g) The Common Areas and Limited Areas shall be kept free and clear of rubbish, debris and other unsightly materials. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common Area or Limited Areas.

(h) All Owners, guests, tenants or invitees, and all occupants of any Condominium Units or other Persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, Use and enjoyment of the Condominium Units and Common Areas and Limited Areas; includes but is not limited to rules relating to the keeping of animals, the parking or storage of vehicles or trailers and other matters incidental to the use of the Common Areas and Limited Areas.

Lease: No Owner may lease more than one Condominium Unit. A full copy of the lease must be filed in the Newport Bay office before a tenant can qualify to use the common areas and facilities. Such lease agreement must be for a period of at least one (1) year.

The maximum number of villas/condominiums collectively being leased and/or sold on land contract shall not at any given time be more than four (4). A complete copy of the land contract shall be filed with the Newport Bay office before a vendee can qualify to use the common areas and facilities.

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

(j) No Owner shall be allowed to place or cause to be placed in the Common or Limited Area lobbies, vestibules, stairways, hallways, garages, swimming pool area, exercise room, workroom, or areas of a similar nature and used for a similar purpose, any furniture or objects of any kind, without the consent of the Board.

(k) All garbage, trash and refuse shall be stored in appropriate containers inside the Condominium Unit (including the garage) or in an inconspicuous place with the Limited Area appurtenant thereto and shall be kept therein until no earlier than sundown of the evening before scheduled trash collection. In the event trash chutes are provided within the Building then such chute shall be used by the Owners in a clean and sanitary manner that does not clutter the flooring and discharge point into the chute. In the event such garbage, trash or refuse is too bulky to place within the trash chute then garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for scheduled trash collection and shall be placed at such locations for trash collection as are designated by the Board.

(l) No "for sale," "for rent" or "for lease" signs or other advertising display shall be maintained or permitted on the property without the prior written consent of the Board.
except one "for sale" sign not to exceed 12 inches by 16 inches may be placed inside one window of a unit.

(m) Common Areas and Limited Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the provisions of the Declaration, these By-Laws and the rules and regulations from time to time adopted by the Board.

(n) No use shall be made of any part of the Real Estate which violates, and all Owners, members of their families, their guests, tenants, invitees and all occupants or other Persons entitled to use or who may use any part of the Real Estate, shall at all times fully comply with, the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described in the Commitments Relative to Use or Development of Real Estate dated January 10, 1983, and recorded January 31, 1983, as Instrument No. 83-6821 in the Office of the Recorder of Marion County, Indiana.

(o) The Association shall have no right of first refusal to purchase any Condominium Unit which an Owner wishes to sell and an Owner may sell his/her Condominium Unit free of any such restriction.

(p) No industry, business, manufacturing, mercantile, storing, trade, or any commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property; provided, however, that an Owner may maintain an office or home business in the Condominium Unit if: (1) such office or business generates no significant number of visits or unreasonable parking usage (both as determined by the Board) by clients, customers or other persons related to the business; (2) no equipment or other items related to the business are stored, parked or otherwise kept outside such Owner's Condominium Unit; (3) there are no employees or independent contractors within the Condominium Unit other than the Owner or other resident; (4) such Owner has obtained approvals for such use as may be required by the appropriate local and state governmental agencies; and (5) all other provisions of these By-Laws, the Declaration and the rules and regulations are complied with. The Board may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use. No Condominium Unit shall be used or rented for transient, motel or hotel purposes.

(q) All rights and privileges are transferred with the title to a Condominium Unit. No rights or privileges belonging with a Condominium Unit may be excluded (withheld) at transfer of a Condominium Unit title (see garage and storage).

Section 7.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time.
and such rules as are adopted may be amended by a vote of a majority of the Board. The Board shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners.

Section 7.03. Enforcement. The Association and any of its members shall have the right of enforcement of all restrictions and regulations adopted pursuant to this Article VII. Any costs including reasonable attorneys fees may be recovered from any Owner for violation thereof; however, any reservation of right to the use of summary abatement or similar means to enforce restrictions against a Condominium Unit or its use shall require that judicial proceedings be instituted before any items of construction can be altered or demolished.
ARTICLE VIII

Insurance

Section 8.01. Coverage. The Board of Directors on behalf of the Co-owners shall obtain, maintain and pay the premiums upon, as a Common Expense, and keep in full force and effect at all times the following insurance coverage underwritten by companies duly authorized to do business in Indiana:

(a) Casualty or physical damage insurance in an amount equal to the full replacement cost of all buildings and improvements (as hereinafter defined) and all personal property owned by the Association with "agreed amount" and "inflation guard" endorsements, without deduction or allowance for depreciation (as determined annually by the Board with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

(1) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for Common Expenses with respect to Condominium Units, during any period of repair or construction;

(2) such other risks as are customarily covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery, explosion or damage, and such other insurance as the Board may from time to time determine.

(b) Comprehensive public liability insurance in such amounts as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of the Property or any portion thereof. Such coverage shall be for at least One Million Dollars ($1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under the insurance policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and Limited Areas, and legal liability arising out of lawsuits related to employment contracts of the Association.

(1) Such liability insurance shall contain no provisions relieving the insurer from liability for loss occurring while the hazard is increased, whether or not within the knowledge or control of the Board, or because of any breach of any warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them.

(2) Such liability insurance shall provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer
giving at least thirty (30) days prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer.

(c) Workmen's compensation and employer's liability insurance in respect to employees of the Association in the amounts and in the form necessary to comply with any applicable law.

(d) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors.

The provisions of this Section 8.01 shall not be construed to limit the power or authority of the Board to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or the Board may deem appropriate from time to time.

Section 8.02. Definition. As used in Section 8.01, the term "all buildings and improvements" means, without limitation, the Common Areas, Limited Areas, and the standard partition walls, fixtures, pipes, wires, conduits and installations installed in the Condominium Units as of the date of initial sale by Declarant, as shown on the Plans as amended from time to time, and replacements thereof, but does not mean any fixtures, alterations, installations or additions in or to a Condominium Unit made by an individual Owner of that Condominium Unit and not shown on the Plans. Fixtures, equipment and other personal property inside the Condominium Unit as shown on the Plans that will be financed by a first mortgage shall be included, whether or not such property is part of the Common Area.

Section 8.03. Form. Casualty insurance shall be carried in a form or forms naming as the insured the Association for the use and benefit of the Owners according to the loss or damage to their respective Condominium Units and Percentage Interest and payable in case of loss to Association. Every such policy of insurance shall:

(a) provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner;

(b) contain no provisions relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach or warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them;

(c) provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer;
(d) contain a waiver by the insurer of any right of subrogation to any right of the Board or Owners against any of them or any other Person under them;

(e) provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 10 of the Declaration;

(f) provide that the policy is primary in the event an Owner has other insurance covering the same loss.

(g) contain a standard mortgagee clause which shall

(1) provide that any reference to a mortgagee in such policy shall mean and include any Mortgagee, whether or not named therein and, where applicable, name as mortgagee Federal National Mortgage Association or Federal Home Loan Mortgage Corporation or their respective servicers, successors and assigns;

(2) provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or any Owner, or any Persons under any of them;

(3) waive any provision invalidating such mortgagee clauses by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the Mortgagee pay any premium thereon, and any contribution clause;

(4) provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association; and

Public liability and property damage insurance shall be carried in a form or forms naming as the insured the Board of Directors as trustee for each individual Owner, the Association, the Board of Directors, the Managing Agent, and any Person acting on behalf of the Association, and providing for payment of any proceeds there from to the Association. The Board shall promptly upon effecting such insurance deposit with each Owner a current certificate of such insurance, without prejudice to the right of any Owner to maintain additional public liability insurance for his Condominium Unit.

Section 8.04. Allocation of Insurance Proceeds. In the event of damage or destruction by fire or other cause to any part of the Property covered by insurance written in the name of the Board or Association as trustee for Co-owners and their Mortgagees, the following provisions shall apply:

(a) Common Areas and Limited Areas. Proceeds on account of damage to Common Areas and Limited Areas shall be allocated among the Co-owners in accordance with their respective Percentage Interests.
(b) **Condominium Units.** Proceeds on account of damage to Condominium Units shall be allocated as follows:

1. If the Building in which the damaged Condominium Unit is located is to be restored, insurance proceeds shall be allocated to such Condominium Unit in the proportion that the cost of Restoration of such Condominium bears to the cost of Restoration of all damaged Condominium Units, such cost to be determined by the Board. In determining such cost, the Board shall not take into consideration the cost of repairing any items specifically excluded from insurance coverage pursuant to the provisions of Section 8.02.

2. If the Building in which the damaged Condominium Unit is located is not to be restored, insurance proceeds shall be allocated to such Condominium Unit in accordance with the agreed amount of the replacement cost of such Condominium Unit.

3. In the event a mortgage endorsement has been issued with respect to a particular Condominium Unit, the amount of the insurance proceeds allocated to the Owner of such Condominium Unit shall be held in trust for the Mortgagee and the Owner as their interests may appear, but no Mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be restored or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Owner and Mortgagee pursuant to the provisions of these By-Laws.

**Section 8.05. Distribution of Insurance Proceeds.** Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Owners and their Mortgagees as their respective interests appear, in the following manner:

(a) **Expense of Trust.** All expenses of the Insurance Trustee, if applicable, shall be first paid or provision made therefore.

(b) **Reconstruction or Repair.** If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof pursuant to the provisions of Article IX. Any proceeds remaining after defraying such costs shall be retained by the Association and added to the reserve for replacements established pursuant to the reserve for replacements established pursuant to Section 6.04, except that, with respect to a Condominium Unit in which there was damage to items excluded from insurance coverage pursuant to Section 8.02, the Owner of such Condominium Unit shall be entitled to receive out of such remaining proceeds his pro-rata share thereof determined according to his Percentage Interest.

(c) **Failure to Reconstruct or Repair.** If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be
distributed in accordance with Section 21 of the Act.

(d) Certificate. In making distributions to Owners and their mortgagees, the Board may rely upon its records as to the names of the Owners and their respective shares of the distribution, and, with respect to the names of mortgagees, may rely upon a certificate from an attorney-at-law who, or a title insurance company which, has examined the Mortgage Records in the office of the Recorder of Marion County, Indiana, as to the names of the holders of mortgages of record.

Section 8.06. Association as Owner's Agent. The Association, acting by its Board of Directors, is hereby irrevocably appointed agent for each Owner and for each Owner of a mortgage or other lien upon a Condominium Unit and for each owner of any other interest in the Property to negotiate all claims arising under insurance policies purchased by the Board, and to execute and deliver releases upon the payment of claims.

Section 8.07. Individual Policies - Recommendation of Association. The Association recommends that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a policy insuring against loss or damage to personal property used or incidental to the occupancy of the Condominium Unit, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering losses to improvements and betterments to the Condominium Unit made or acquired at the expense of the Owner. Any Owner or Mortgagee may obtain additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Condominium Unit made or acquired at the expense of the Owner) at his own expense. Such insurance shall provide that it shall be without contribution as against the insurance maintained by the Board. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 8.03(d). If an insured loss is sustained on the Property and the amount of insurance proceeds that would otherwise be payable to the Association is reduced due to proration of insurance purchased pursuant to this Section, the Owner shall assign the proceeds of the personally purchased insurance, to the extent of the amount of the reduction, to the Association to be distributed as provided in Section 8.05.

Section 8.08. Certificates. Upon request, the Association shall cause to be issued to each Owner and each Mortgagee a certificate of insurance evidencing the insurance carried by the Association.
ARTICLE IX

Damage or Destruction

Section 9.01. Procedure for Restoration or Repair. In the event of damage or destruction to the Common Property by fire, other cause, or as a result of condemnation, and Restoration or repair of the Property is required or authorized pursuant to Paragraph 10 or Paragraph 11 of the Declaration, such Restoration or repair shall be undertaken in accordance with the provisions of this Article.

Section 9.02. Estimate of Cost. Promptly after the occurrence of the damage or destruction to the Property that the Association has the responsibility to restore or repair, the Board shall obtain reliable and detailed estimates of the cost to restore or repair. The services of an architect to supervise the Restoration or repair and the disbursement of the construction funds shall be obtained as the Board may deem appropriate.

Section 9.03. Plans and Specifications. Any Restoration or repair must be either substantially in accordance with the Plans or according to plans and specifications approved by a Majority of Owners, and if damaged Property contains any Condominium Units, by all of the Owners of the damaged Condominium Units, which approval shall not be unreasonably withheld.

Section 9.04. Responsibility. If the damage is only to those parts of a Condominium Unit for which the responsibility of maintenance and repair is that of an Owner, then the Condominium Unit Owner shall be responsible for the cost of Restoration and repair unless such damage is specifically covered by the insurance purchased by the Board, in which event the Association shall be responsible for said costs.

Section 9.05. Deductibles. If the damage to property is caused by malfunction of property for which a home (unit) owner is responsible, such as but not limited to water damage, the homeowner whose property caused the damage must pay for repair or replacement of damaged property.

Section 9.06. Insurance Trustee. The Board of Directors may deposit funds for payment of the costs of Restoration or repair, which shall consist of the proceeds of insurance held by or payable to the Insurance Trustee, such amounts from the reserve for replacements as are authorized by the Board for the purpose of Restoration or repair, and the funds collected by the Board from Special Assessments against Owners, with an Insurance Trustee, if any, who shall apply or disburse the same in payment of the costs of Restoration or repair as provided in this Article. The duty of the Insurance Trustee shall be to receive such proceeds or awards as are paid and to hold the same in trust for the purposes herein and in the Declaration stated, and for the benefit of the Co-owners and their Mortgagees as herein and in the Declaration provided.

Section 9.07. Certificates. The Association's Board may rely upon a certificate provided
by an architect, if any, employed by the Board to supervise the Restoration, or by the Board, with respect to the payments to be made to contractors undertaking the Restoration and/or repair.
ARTICLE X

Fiscal Management

Section 10.01. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 10.02. Books of Account. Books of account of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices, and shall include a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses.

Section 10.03. Inspection. All books, records and accounts, and all vouchers accrediting the entries made thereupon, shall be available for examination by an Owner or a Mortgagee or any duly authorized agent or attorney of an Owner or Mortgagee at any time during normal business hours for purposes reasonably related to his interest as an Owner.

Section 10.04. Auditing. Unless otherwise agreed by a Majority of Owners, at the close of each fiscal year, the books and accounts of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards.

Section 10.05. Annual Financial Statement. Prior to the annual meeting of the Association, the Board of Directors shall cause to be prepared and delivered to the Co-owners an annual financial statement, certified to by the Treasurer, showing all income and all disbursements of the Association during the previous fiscal year. To the extent possible, such financial statement shall be based upon the report prepared pursuant to Section 10.04. The requirements of this Section 10.05 shall be satisfied if the Board causes to be delivered to each Owner prior to the annual meeting of the Association a copy of the report prepared pursuant to Section 10.04.

Section 10.06. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by two officers of the Board, and all checks shall be executed on behalf of the Association by such officers, agents, or other individuals as are from time to time so authorized by the Board.
ARTICLE XI

Amendment to By-Laws

Section 11.01. Procedure. Subject to any contrary, over-riding or superseding provisions set forth herein or in the Declaration, these By-Laws may be amended in the same manner, and subject to the same limitations and requirements as amendments to the Declaration, as set forth in Paragraph 14 of the Declaration. Amendments to these By-Laws shall be considered as amendments of the Declaration and shall be recorded in the Office of the Recorder of Marion County, Indiana, as required by the Declaration and the Act.

Section 11.02. Amended and Restated By-Laws. An amended and restated By-Laws, containing the original By-Laws and all amendments theretofore made, may be executed any time or from time to time by a majority of the then Board of Directors and shall, upon recording in the office of the Recorder of Marion County, Indiana, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original By-Laws and the various amendments thereto.
ARTICLE XII

Mortgages

Section 12.01. Notice to Association. Any Owner who places a first mortgage lien upon his Condominium Unit or the Mortgagee shall notify the Secretary thereof and provide the name and address of the Mortgagee. A record of such Mortgagee's name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these By-Laws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled to vote by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage.

Section 12.02. Notices to Mortgagees. The Association shall promptly provide to any Mortgagee of whom the Association has been provided notice under Section 12.01 of these By-Laws notice of any of the following:

(a) Any proposed termination of the Regime or any condemnation or casualty loss that affects either a material portion of Newport Bay or the Condominium Unit securing its mortgage;

(b) Any delinquency in the payment of Regular or Special Assessments owed by the Owner of any Condominium Unit on which said Mortgagee holds a mortgage, if said delinquency continues for more than sixty (60) days;

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

(d) Any proposed action that required the consent of a specified percentage of Mortgagees; and,

(e) Any proposed amendment of the Organizational Documents effecting a change in (i) the boundaries of any Condominium Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Areas or Limited Areas appertaining to any Condominium Unit or the liability for Common Expenses appertaining thereto, (iii) the Percentage Vote appertaining to a Condominium Unit or (iv) the purposes for which any Condominium Unit or the Common Areas are restricted.

Section 12.03. Notice of Unpaid Assessments. The Association shall, upon request of the Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Condominium Unit, furnish to such mortgagee or purchaser a statement setting forth
the amount of the unpaid Assessments against the Condominium Unit, which statement shall be
binding upon the Association and the Co-owners, and any Mortgagee or grantee of the
Condominium Unit shall not be liable for, nor shall the Condominium Unit conveyed by subject
to a lien for, any unpaid Assessments in excess of the amount set forth in such statement or as
such Assessments may be adjusted upon adoption of the final annual budget, as referred to in
Section 6.02 hereof.

Section 12.04. Financial Statements. Upon the request of any Mortgagee, the Association
shall provide to said Mortgagee the most recent financial statement prepared on behalf of the
Association pursuant to Section 10.04 and 10.05 of these By-Laws.
ARTICLE XIII

Miscellaneous

Section 13.01. Membership. Each Member shall automatically become a member of the Association upon delivering of title to a Condominium Unit. Such membership shall be non-transferable and membership shall automatically transfer to the new owner.

Section 13.02. Personal Interests. No Member shall have or receive any earnings from the Association, except a Member who is an officer, director or employee of the Association may receive fair and reasonable compensation for his services as officer, director or employee.

Section 13.03 Gender Wherever the pronoun “his” appears in the text of these By-Laws & auxiliaries thereto it shall be construed to apply to either the male or female gender contingent upon the context of the sentence in which the term is used.
APPENDIX A
CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES
CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01

Chimneys:
  Flashing (exterior) x
  Cleaning x

Dock steps & docks:
  Common steps & dock x
  Private dock maintenance, repair & replacement x
  Private steps maintenance, repair & replacement x

Ductwork:
  Cleaning x
  Repair & replacement x

Drive repairs:
  x

Dryer vents:
  Exterior vents x
  Piping in wall only x
  Cleaning in wall only x

Exterior doors:
  Door repair & replacement x
  Hardware & jams x
  Operation & adjustments x
  Exterior caulking, painting & trim x
  Exterior frames & thresholds x

Exterior lights:
  x

Face bricks:
  x

Fences (screening, privacy, patio) and gates:
  Replacement & repair x
  Painting x

Flower & garden beds (incl. mulching):
  Side & rear of villas x

Appendix A
Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc.
October 28, 2008
Page 1 of 4
Within yards x
Front of villas & other common beds x
Furnaces & air conditioners:
Labor:
Cleaning x
Inspection & testing x
Service call to replace mechanical components x
Service call to replace non-mechanical components x
Parts:
Replacement & repair of mechanical components (see Homeowners Manual for detailed list) x
Replacement & repair of non-mechanical components (see Homeowners Manual for detailed list) x
Note: When repairs are made at the same time to items for which the Association is responsible and to items for which the homeowner is responsible, the cost of the service call will be split equally.

HVAC add-on equipment:
Humidifiers x
Dehumidifier x
Water softeners x
Water purifiers x
Air cleaners x

Interior repairs:
Settling cracks x
Appliances, lights, thermostats x
Caulking (interior) x
Plumbing, electric, gas lines-outside unit boundaries x
Plumbing, electric, gas lines-inside unit boundaries x
Plumbing fixtures x

Lawn:

Appendix A October 28, 2008
Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc. Page 2 of 4
Common and limited areas
Cutting
Trimming
Fertilization & insects
Replacement

Painting:
Interior of unit
Exterior of unit

Patio concrete & wooden decks:
Maintenance, repair & replacement
Extension with approval

Road signs:

Road repairs:
Common & private streets

Roofs:
Shingles & flashing
Gutters & downspouts

Roof leak damage:
Repair (exterior)
Repainting (interior)
Drywall

Snow removal:
Stoops & sidewalks
Common streets & drives

Storm doors:
Maintenance, repair & replacement
Installation
Screens

Termite control:

October 28, 2008
Trees & shrubs:

- Pruning & removal
- Fertilization & spraying
- Weeding common & limited area
- Additional planting

Villa garages:

- Floor & other interior repair & replacement
- Door operation, openers, & jams
- Door repair & replacement
- Door exterior painting, framing & trim

Windows:

- Skylights
- Exterior framing & trim
- Exterior caulking & painting
- Flashing
- Exterior sills if separable from jams
- Sashes, jams, glass & mechanism
- Exterior sills if not separable from jams
- Operation & adjustment
- Screens
- Window washing (exterior)

Anything within a unit not listed here is the responsibility of the homeowner.

Damage to property where the source of the damage is an item not maintained by the Association is the responsibility of the homeowner & their insurance carrier.

Damage to property from any act of negligence or failure to maintain is the responsibility of the negligent party & their insurance carrier.

Vendors are instructed to bill the homeowner directly for all repairs within units except where the service is provided as a result of a contract with the Association. Homeowners will be promptly reimbursed by the Association for those items for which the Association is responsible upon receipt of a copy of the bill.
AMENDED AND RESTATED

CODE OF BY-LAWS OF

NEWPORT BAY HORIZONTAL PROPERTY REGIME

AND OF

NEWPORT BAY OWNERS ASSOCIATION, INC.

PREPARED BY THE BOARD OF DIRECTORS

Newport Bay Owners Association, Inc  October 28, 2010
Amended & Restated Code of By-Laws
WITNESSETH

WHEREAS, the Newport Bay Horizontal Property Regime located in Marion County was established by a certain “Declaration of Horizontal Property Ownership for Newport Bay Horizontal Property Regime was recorded on February 25, 1988 as Instrument #88-16665 in the Office of the Recorder of Marion County, Indiana, said Declaration together with all amendments and/or supplements thereto being hereafter referred to as the “Declaration”; and

WHEREAS, the original code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. was attached to the Declaration and was thus recorded on the same day and under the same Instrument # 88-16665 as the Declaration (hereinafter, “By-Laws”); and

WHEREAS, Section 11.01 of the By-Laws states that the By-Laws may be amended in the same manner and subject to the same limitations and requirements as amendments to the Declaration; and

WHEREAS, Paragraph 14 of the Declaration states that it may be amended by a Majority of Owners, but that for certain amendments, the consent of a “Constitutional Majority” and the approval of seventy-five (75%) of Mortgagees shall be required; and

WHEREAS, in accordance with Article XII Section 12.01 of the By-Laws the Secretary of the Association has not been notified by any Owner(s) of the name & address(es) of Mortgagee(s) holding a first lien upon Condominium Unit(s) no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which it may otherwise may be entitled to vote pursuant to the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage; and

WHEREAS, the Annual Meeting of the Co-Owners and the Newport Bay Owners Association, Inc. was held on October 27, 2010.

WHEREAS, one of the purposes of said annual meeting as stated in the notice for the meeting was for the Co-Owners to vote upon the approval of the Amended & Restated Code of By-Laws as attached hereeto; and

WHEREAS, at said annual meeting the Co-Owners representing more than a majority of the total Percentage Vote voted to accept and approve the Amended & Restated Code of By-Laws as attached hereto.
WHEREAS, a post registration audit by the Office of the Marion County Recorder of the Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. indexed the 3rd day of January, '08 as instrument #2008-0000681 identified two (2) missing requisites, to wit, an executed Certification and a Cross-Referenced Inventory of correlative filings, the attached Amended Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. which is incorporated herein by reference is in all respects identical in content to the aforementioned instrument#2008-0000681 with the exception of the insertion of the required executed Certification and Cross-Referenced Inventory of correlative filings accessions implemented to ensure the perfection of a valid registration with the Office of the Marion County Recorder

WHEREAS to facilitate searches by third parties for the purpose of consulting the text of past By-Laws, Amendments & Supplemental Declarations the succeeding inventory of Instrument #’s registered with the Marion County Recorder is offered as cross references to The Amended Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. recorded concurrently herewith as Instrument #H0764650 with the Marion County Recorder’s Office this 15th day of November, 2010.

88-16665; 88-58379; 88-75548; 89-81594; 90-90130; 91-18969; 91-50119; 91-50898;
91-89630; 91-132438 92-63713; 93-23245; 94-83551; 94-138667; 94-171681;
1997-0111008; 1999-0233126; 2001-0063124; 2005-0167674; 2008-0000681;
2008-0078150; 2008-0127154 ; 2009-0130194

NOW, THEREFORE, the Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. which is applicable to all Co-Owners and residents within Newport Bay is hereby amended and restated as described in the attached Amended & Restated Code of By-Laws which are incorporated herein by reference.

CERTIFICATION The undersigned persons hereby represent and certify that all requirements for conditions precedent to the amendment & restatement of the Code of By-Laws have been fulfilled and satisfied.

Certification To Amended & Restated Code of By-Laws
Page 2 of 3
October 28, 2010
Executed this 15 day of November 2010

NEWPORT BAY OWNERS ASSOCIATION, by:

[Signature]
(Jacqueline N. Schmidt, President)

Attest:

[Signature]
(Bev Chambers, Vice President)

STATE OF INDIANA
County of Marion

Before me a notary public, in and for said County and State, personally appeared Jacqueline N. Schmidt and Bev Chambers, President & Vice President respectively of Newport Bay Owners Association, Inc., an Indiana nonprofit corporation, who acknowledged the execution of the within and foregoing Amended & Restated Code of By-Laws of Newport Bay Horizontal Property Regime and of Newport Bay Owners Association, Inc. for & on behalf of said corporation & its members and who being duly sworn, stated that the Certification and representations made therein are true. Witness my hand & notary seal this 15th day of November 2010

[Signature]
Notary Public - Signature

"I AFFIRM UNDER THE PENALTIES OF PERJURY THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT UNLESS REQUIRED BY LAW"
AMENDED AND RESTATEd
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

Article

I. Identification and Applicability
   Section 1.01. Identification and Adoption .................................................. 1
   Section 1.02. Additional Definitions .......................................................... 1
   Section 1.03. Individual Application ......................................................... 2

II. Meetings of the Association
   Section 2.01. Purpose of Meetings .................................................................. 3
   Section 2.02. Annual Meetings ........................................................................ 3
   Section 2.03. Special Meetings ........................................................................ 3
   Section 2.04. Notice and Place of Meeting .................................................... 3
   Section 2.05. Voting ....................................................................................... 4
   Section 2.06. Conduct of Meetings ................................................................. 4
   Section 2.07. Written Ballots ........................................................................... 5

III. Board of Directors
   Section 3.01. Management ............................................................................. 6
   Section 3.02. Additional Qualifications .......................................................... 6
   Section 3.03. Term of Office and Vacancy ..................................................... 6
   Section 3.04. Removal of Directors ................................................................. 6
   Section 3.05. Duties of the Board of Directors ............................................... 6
   Section 3.06. Powers of the Board of Directors .......................................... 7
   Section 3.07. Limitation on Board Action ................................................. 8
   Section 3.08. Compensation .......................................................................... 8
   Section 3.09. Meetings .................................................................................. 9
   Section 3.10. Waiver of Notice ..................................................................... 9
   Section 3.11. Action Without a Meeting ....................................................... 9
   Section 3.12. Quorum .................................................................................. 9
   Section 3.13. Standards of Conduct and Liability of Directors and Officers ...... 9
   Section 3.14. Indemnification of Directors .................................................... 9
   Section 3.15. Indemnification of Officers ...................................................... 9
   Section 3.16. Transactions Involving Affiliates .......................................... 10
   Section 3.17. Bonds ................................................................................. 10

IV. Officers
   Section 4.01. Officers of the Association ..................................................... 11
   Section 4.02. Election of Officers ................................................................. 11
   Section 4.03. The President ....................................................................... 11
   Section 4.04. The Vice President ................................................................. 11
   Section 4.05. The Secretary ...................................................................... 11
   Section 4.06. The Treasurer ..................................................................... 11
   Section 4.07. Assistant Officers ................................................................. 12

Amended & Restated Code of Bylaws
Newport Bay Owners Association, Inc

Page 1 of 3

October 28, 2010
V. Management
Section 5.01. Maintenance, Repairs and Replacements ........................................ 13
Section 5.02. Right of Entry ................................................................................ 13
Section 5.03. Alterations and Additions ............................................................... 14
Section 5.04. Real Estate Taxes ........................................................................ 14
Section 5.05. Utilities ....................................................................................... 14
Section 5.06. Limitation of Liability ................................................................. 14
Section 5.07. Negligence ............................................................................... 14
Section 5.08. Costs and Attorneys' Fees ......................................................... 14

Article VI. Assessments
Section 6.01. Proposed Annual Budget ............................................................ 16
Section 6.02. Annual Assessments .................................................................. 16
Section 6.03. Special Assessments .................................................................. 17
Section 6.04. Asset Reserve ........................................................................... 17
Section 6.05. General Operating Reserve ....................................................... 18
Section 6.06. Failure of Owner to Pay Assessments ......................................... 18
Section 6.07. Waiver of Lien Upon Foreclosure ............................................. 19
Section 6.08. Failure of Owner To Pay Other Obligations ............................... 19

VII. Restrictions, Entry and Rules and Regulations
Section 7.01. Restrictions on Use .................................................................... 20
Section 7.02. Right of Board to Adopt Rules and Regulations ....................... 23
Section 7.03. Enforcement ............................................................................. 23

VIII. Insurance
Section 8.01. Coverage .................................................................................. 24
Section 8.02. Definition .................................................................................. 25
Section 8.03. Form .......................................................................................... 25
Section 8.04. Allocation of Insurance Proceeds ............................................. 26
Section 8.05. Distribution of Insurance Proceeds ........................................... 27
Section 8.06. Association as Owner's Agent .................................................... 28
Section 8.07. Individual Policies - Recommendation of Association .......... 28
Section 8.08. Certificates .............................................................................. 28

IX. Damage or Destruction
Section 9.01. Procedure for Restoration or Repair ......................................... 29
Section 9.02. Estimate of Cost ....................................................................... 29
Section 9.03. Plans and Specifications ............................................................. 29
Section 9.04. Responsibility .......................................................................... 29
Section 9.05. Deductibles ............................................................................. 29
Section 9.06. Insurance Trustee ..................................................................... 29
Section 9.07. Certificates .............................................................................. 29

X. Fiscal Management
Section 10.01. Fiscal Year .............................................................................. 31
Section 10.02. Books of Account ................................................................... 31
Section 10.03. Inspection .............................................................................. 31
Section 10.04. Auditing ............................................................................... 31
Section 10.05. Annual Financial Statement .................................................... 31
Section 10.06. Execution of Association Documents ...................................... 31

XI. Amendment to By-Laws
Section 11.01. Procedure .............................................................................. 32

Amended & Restated Code of Bylaws
Newport Bay Owners Association, Inc

Table of Contents
October 28, 2010
Page 2 of 3
Section 11.02. Amended and Restated By-Laws

XII. Mortgages
   Section 12.01. Notice to Association ................................................................. 33
   Section 12.02. Notices to Mortgagors ................................................................. 33
   Section 12.03. Notice of Unpaid Assessments ..................................................... 33
   Section 12.04. Financial Statements ...................................................................... 34

XIII. Noncompliance
   Section 13.01. Thirty (30) Day Registered Letter ............................................... 35
   Section 13.02. Personal behavior, deportment, decorum, violations ....................... 35
   Section 13.03 Garnishee & Lien Authorizations ................................................... 35

XIV. Miscellaneous
   Section 14.01. Membership .................................................................................... 36
   Section 14.02. Personal Interests ........................................................................... 36
   Section 14.03 Gender ............................................................................................. 36
   Section 14.04 Family Members .............................................................................. 36

Appendix A
AMENDED AND RESTATED
CODE OF BY-LAWS OF
NEWPORT BAY HORIZONTAL PROPERTY REGIME
AND OF
NEWPORT BAY OWNERS ASSOCIATION, INC.

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration creating Newport Bay Horizontal Property Regime to which these By-Laws are attached and made a part. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. Except as otherwise provided in Section 1.02 hereof, the definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws and reference is specifically made to Paragraph 1 of the Declaration containing definitions of terms. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association. These By-Laws shall also constitute the By-Laws of the Association.

Section 1.02. Additional Definitions. Notwithstanding any other definition in the Declaration, the following terms as used in these By-Laws shall have the following meanings:

(a) "Articles" mean the Articles of Incorporation of the Association.

(b) "Assessment" means all sums lawfully assessed against the Owners or as declared or authorized by the Act, the Declaration, any Supplementary Declaration, the Articles, or these By-Laws.

(c) "Directors" means all the members of the Board of Directors and "Director" means any individual member thereof.

(d) "Managing Agent" means a reputable and recognized professional property management agent employed by the Board pursuant to Section 3.06.

(e) "Majority Vote" means a majority of the Percentage Vote present and voting at any duly constituted meeting of the Members at which a quorum is represented.

(f) "Member" means a member of the Association and "Members" means more than one member of the Association.

(g) "Regular Assessment" means the Assessment levied pursuant to Section 6.02.
(h) "Special Assessment" means the Assessment levied pursuant to Section 6.03.

(i) 

"Statute" means the Indiana Nonprofit Corporation Act of 1991, as the same may be amended from time to time.

(j) "Owner" means a Person who or which owns the fee simple title to a Condominium Unit. "Guest" is a visitor by invitation of an Owner or Resident. "Tenant" is one who has entered into a lease agreement with an Owner.

Section 1.03: Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Condominium Unit or any part of the Property, shall be subject to the restrictions, terms and conditions set forth in the Declaration, the Articles, these By-Laws and the Act, and to any rules and regulations adopted by the Board as herein provided.
ARTICLE II
Meetings of the Association

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

Section 2.02. Annual Meetings. The annual meeting of the Members shall be held on the fourth Wednesday of October in each calendar year. At the annual meeting, the Owners shall elect the Board of Directors in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the Members may be called by the Association's President, by resolution of the Board or upon a written petition of Owners who have not less than ten percent (10%) of the Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Association (references herein to an officer shall be to that officer of the Association) and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meeting. All meetings of the Members shall be held at any suitable place in Marion County, Indiana, as may be designated by the Board. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary to each Member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at the addresses of their respective Condominium Units and not otherwise. Any written notice delivered to the Owners as part of a newsletter or other publication regularly sent to the Owners constitutes a written notice. If an annual or special meeting of the Owners is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting before adjournment. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 12.01 of these By-Laws. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. All Persons who own a Condominium Unit shall jointly (and not severally) be entitled to cast one vote for each Condominium Unit they own on each matter coming before the meeting as to which they are entitled to vote.
(b) **Multiple Owners.** When more than one (1) Person or entity constitutes the Owner of a particular Condominium Unit, all such Persons or entities shall be Members of the Association, but all of such Persons or entities shall have only one vote applicable to the Condominium Unit, which vote shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Condominium Unit. If such Persons cannot agree on how to cast the vote on a particular matter, there shall be no vote for that Condominium Unit.

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

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

(e) **Pledges.** If the vote of an Owner or Owners has been pledged by mortgage, security agreement, conditional assignment, or other instrument, an executed copy of which has been filed with the Secretary, only the pledgee shall be entitled to cast the vote of such Owner or Owners upon those matters upon which the Owner or Owners vote is so pledged.

(f) **Quorum.** Except where otherwise expressly provided in the Declaration, these By-Laws, the Act or the Statute, a Majority of Owners shall constitute a quorum at all meetings of the Members. Proxies as defined in Section 2.05 (d) may be counted when establishing the existence of a quorum, however, the maximum number of proxies shall in no way exceed fifteen (15) equal to one fifth of the communal constituency; thus, a minimum of twenty-three homeowners must be physically present to qualify the assemblage as a properly constituted quorum.

**Section 2.06: Conduct of Meetings.**

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

1. **Reading of Minutes.** The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a Majority Vote.
2. Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the current year to date and the proposed budget for the next year.

3. Budget. The proposed budget for the next fiscal year shall be presented to the Owners for approval or amendment.

4. Election of Board of Directors. Nominations for the Board may be made by any Owner from those Persons eligible to serve. Such nominations must be in writing and presented to the Secretary at least seven (7) days prior to the date of the annual meeting. Voting for the Board will be by paper ballot. The ballot shall contain the name of each Person nominated to serve as a member of the Board. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those Persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot.

5. Other Business. Other business may be brought before the meeting only by decision of the Board of Directors or upon a written request of an Owner submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting, except that such written request may be waived at the meeting if agreed by a Majority Vote.

6. Adjournment. The following documents must be received by the Owners one week prior to the annual meeting: (1) Minutes of the prior year’s annual meeting. (2) Treasurer’s Report for the current year to date shown on the Budget Report (3) Proposed Budget for the next year. “

(b) Special Meeting. The President shall act as chairman of any special meetings of the Association if he is present. The chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be the matters for which such meeting was called, as set forth in the notice of such special meeting.

Section 2.07. Written Ballots. In lieu of any annual or special meeting of the Owners, written ballots may be utilized in the manner prescribed in the Statute.
ARTICLE III

Board of Directors

Section 3.01. Management. The affairs of the Association and Newport Bay shall be
governed and managed by the Board of Directors.

Section 3.02. Additional Qualifications. Where an Owner consists of more than one
individual or is not a natural Person, then one of the individuals constituting the multiple Owner,
or a partner, an officer or the trustee of an Owner shall be eligible to serve on the Board, except
that no single Condominium Unit may be represented on the Board by more than one individual
at a time.

Section 3.03. Term of Office and Vacancy. Three (3) members of the Board shall be
elected at each annual meeting of the Association. Each member of the Board of Directors shall
be elected for a term of three (3) years so that the terms of one-third (1/3) of the Directors shall
expire annually. Each Director shall hold office throughout the term of his election and until his
successor is elected and qualified. Any vacancy or vacancies occurring in the Board shall be
filled by a vote of a majority of the remaining Directors or by vote of the Owners if a Director is
removed in accordance with Section 3.04. The Director so filling a vacancy shall serve until the
next annual meeting of the Members and until his successor is elected and qualified. At the first
annual meeting following any such vacancy, a Director shall be elected for the balance of the
term of the Director so removed or in respect to whom there has otherwise been a vacancy.

Section 3.04. Removal of Directors. A Director or may be removed with or without
cause by a Majority Vote of the Owners at a special meeting of the Members duly called and
constituted for that purpose. In such case, his successor shall be elected at the same meeting
from eligible Owners nominated at the meeting. A Director so elected shall serve until the next
annual meeting of the Members or until his successor is duly elected and qualified.

Section 3.05. Duties of the Board of Directors. The Board shall provide for the
administration of Newport Bay, the maintenance, upkeep and replacement in the Common Areas
and Limited Areas (unless the same are otherwise the responsibility or duty of the Owners of
Condominium Units), and the collection and disbursement of the Common Expenses. The Board
may, on behalf of the Association, employ a Managing Agent upon such terms as the Board shall
find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in
carrying out its duties, which include, but are not limited to:

(a) protection, repair and replacement of the Common Areas and Limited Areas, unless
the same are otherwise the responsibility or duty of the Owners of Condominium Units;
provided, however, that this duty shall not include or be deemed or interpreted as a
requirement that the Association, the Board or any Managing Agent must provide any on-
site or roving guards, security service or security system for protection or surveillance, and
the same need not be furnished;
(b) procuring of utilities used in connection with Newport Bay, removal of garbage and waste, and snow removal from the Common Areas;

(c) landscaping, painting, decorating, furnishing, maintaining and repairing the Common Areas and, where applicable, the Limited Areas;

(d) surfacing, paving and maintaining drives, parking areas and sidewalks;

(e) washing and cleaning of exterior window surfaces of the Condominium Units;

(f) assessment and collection from the Owners of the Owner's share of the Common Expenses.

(g) preparation of the proposed annual budget;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year;

(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; and

(j) procuring and maintaining for the benefit of the Owners, the Association and the Board the insurance coverages required by Section 8.01 and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable.

(k) making available to Owners and Mortgagees for a reasonable charge current copies of the Declaration, By-Laws and rules and regulations governing Newport Bay ("Organization Documents") and any other books, records and financial statements of the Association. The Board shall also make available to prospective purchasers of Condominium Units current copies of the Organizational Documents and the most recent annual audited financial statement, if such statement has been prepared. "Available" means available for inspection upon request during normal business hours or under other reasonable circumstances and pursuant to the Statute. Upon written request by the United States Department of Housing and Urban Development or the Veterans Administration, the Board shall also prepare and furnish within a reasonable time an audited financial statement for the Association for the immediately preceding fiscal year.

Section 3.06. Powers of the Board of Directors. The Board shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

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

(b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board;
(c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of Newport Bay;

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

(e) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs there from;

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

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

Section 3.07 Limitation on Board Action. The authority of the Board to enter into contracts shall be limited to contracts involving a total expenditure of less than $10,000.00 without obtaining the prior approval of a Majority Vote of the Owners, except that in the following cases such approval shall not be necessary:

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

(b) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; however, specific items within the budget need not be approved by the Owners at such annual meeting. The Board may also reallocate funds to items in the budget so long as the total budgeted funds are not exceeded and by doing so, the total budget will not be increased, and

(c) expenditures necessary to deal with emergency conditions in which the Board reasonably believes there is insufficient time to call a meeting of the Owners.

Section 3.08 Compensation. No Director shall receive any compensation for his services as a Director except to such extent as may be expressly authorized by a Majority Vote of the Owners. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 3.09 Meetings:

(a) Organization Meeting. The Board shall meet during January of each year for the purpose of organization, election of officers and consideration of any other business that may properly be brought before the meeting, and no notice shall be necessary to any newly elected Directors in order to legally constitute such meeting if a quorum is present.
(b) **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. No written or verbal notice need be given to Directors for regularly scheduled Board meetings of which the Directors are already aware. For all other Board meetings, the Secretary shall give notice of the meeting of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

(c) **Special Meetings.** Special meetings of the Board may be called by the president or any two (2) members of the Board. The Director or Directors calling such meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least three (3) days prior the date of such special meeting, give notice to the members of the Board. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place and at such time within Marion County, Indiana, as shall be designated in the notice.

**Section 3.10. Waiver of Notice.** Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his subsequent consent to the actions taken thereat, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 3.11. Action Without a Meeting.** Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a consent in writing setting forth such actions so taken is signed by a majority of the Directors and such written consent is filed with the minutes of the of the next Board meeting.

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

**Section 3.13. Standards of Conduct and Liability of Directors and Officers.** The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Association shall be as set forth in the Statute, as the same may be amended from time to time.

**Section 3.14. Indemnification of Directors.** To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director of the Association shall be indemnified by the Association as provided in the Statute.

**Section 3.15. Indemnification of Officers.** To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was an officer of the Association shall be indemnified by the Association as provided in the Statute. In addition, every person (and the heirs and personal representatives of such person) who is or was an officer of the Association shall be indemnified by the Association to
the same and fullest extent that directors are indemnified by the Association as provided for in the Statute.

Section 3.16. Transactions Involving Affiliates. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any Person (including Declarant or any shareholder of Declarant) in which one or more of the Directors are directors, officers, partners, or employees or are pecuniarily or otherwise interested shall be void or voidable because of this relationship or interest or because such Director or Directors are present at the meeting of the Board that authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose if:

(a) the fact of the affiliation or interest is disclosed or known to the Board and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote or consent sufficient for the purpose without counting the votes of the interested director; or

(b) the fact of the affiliation or interest is disclosed or known to the Co-owners; and they authorize, approve or ratify the contract or transaction in good faith by a vote or written consent sufficient for the purpose; or

(c) the contract or transaction is commercially fair and reasonable to the Association at the time it is authorized, ratified, approved or executed.

Affiliated or interested Directors may be counted in determining the presence of the quorum of any meeting of the Board thereof that authorizes, approves or ratifies any contract or transaction.

Section 3.17. Bonds. Blanket fidelity bonds shall be maintained by the Association for all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association. Where the Managing Agent has the responsibility for handling or administering funds of the Association, the Managing Agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association and the Association shall be named as an additional obligee thereon. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or Managing Agent, as the case may be, at any given time during the term of each bond. In no event, however, may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all Condominium Units plus reserve funds. The bonds shall contain waiver by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms of expressions. The expense of all such bonds shall be a Common Expense. The bonds may not be canceled or substantially modified without thirty (30) days notice in writing to the Association, the Insurance Trustee and each servicer of a FNMA (Fannie Mae) owned mortgage in the Property.
ARTICLE IV

 Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in the judgment may be necessary. Any two (2) or more offices may be held by the same person, except that the duties of President and Secretary shall not be performed by the same person.

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

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

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

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

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

Section 4.07. Assistant Officers. The Board may, from time to time, designate and elect from among the Members as Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board may prescribe.
ARTICLE V
Management

Section 5.01. Maintenance, Repairs and Replacements. Except as otherwise described in Appendix A attached hereto and incorporated herein, the Association shall be responsible for maintenance, repairs and replacements outside the boundaries of the Condominium Units (defined in Paragraph 5 of the Declaration), and these costs shall be a Common Expense unless such repairs or replacements are the result of neglect or misuse of the area by an Owner.

Except as otherwise described in Appendix A attached hereto and incorporated herein, each Owner shall, at his expense, be responsible for maintenance, repairs and replacement within the boundaries of his own Condominium Unit (defined in Paragraph 5 of the Declaration). Each Owner shall promptly perform all repairs within his Condominium Unit which, if neglected, might adversely affect the Property.

In the event that repair of any Condominium Unit is reasonably necessary in the discretion of the Board to protect the Common Areas or Limited Areas, or to preserve the appearance or value of the Property, or is otherwise in the interest of the general welfare of the Co-owners, the Board shall have the power to undertake such repair. No such repair shall be undertaken without a resolution by the Board, and after first informing the Owner in writing of the untenable condition of his property. The Board shall allow reasonable time for the Owner to respond in writing to the Board and to make repairs. Should the Owner refuse to comply with the Board's request, the Board shall have repairs made and the cost of any such repair shall be assessed against the Condominium Unit. A statement for the amount assessed shall be rendered promptly to the then Owner of the Condominium Unit, at which time the Assessment shall become due and payable and a continuing lien and obligation of said Owner in all respects as provided in Section 6.06 hereof.

Each Owner shall, at his expense, be responsible for the decoration and appearance of any balcony, patio, deck, or porch to which there is direct access from the interior of his Condominium Unit. Each Owner is responsible for the interior of each assigned storage area and for the appearance of the garage spaces assigned. There are or may be Optional Carport Limited Area as defined in the Declaration and the expenses and upkeep thereon shall be paid to the Association under the regular assessment procedures by the Owner having the exclusive use and enjoyment thereof.

The Board of Directors may adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas and Limited Areas (defined in Sections 6 and 7 of the Declarations).

Section 5.02. Right of Entry. The Board of Directors, the Managing Agent, or any other Person authorized by the Board or the Managing Agent shall have the right, at reasonable times and upon reasonable prior notice (except in cases of emergency in which event no notice shall be required), to enter into each individual Condominium Unit for the purposes of inspection of the
Common Areas and Limited Areas appurtenant thereto and replacement, repair and maintenance of the same. The Right of Entry is dependent entirely upon the duty of the home owner to provide the Association with access to their premises.

Should the Association be compelled to force entry in order to deal with an emergency of whatever nature or kind all costs arising from and relating to the forced entry shall be borne solely by the home owner including but not limited to medical expense for injuries sustained by those individuals harmed in the process of coping with the emergency.

Section 5.03. Alterations and Additions. No Person shall make any alterations or additions to the Common Areas or Limited Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alteration or addition within the boundaries of his Condominium Unit that would affect the safety or structural integrity of the Building in which the Condominium Unit is located.

Section 5.04. Real Estate Taxes. Real estate taxes are to be separately taxed to each Condominium Unit as provided in the Statute.

Section 5.05. Utilities. Each Owner shall pay for his own utilities that are separately metered. Utilities that are not separately metered shall be treated as and paid as part of the Common Expenses, unless alternative payment arrangements are authorized by a Majority of Owners.

Section 5.06. Limitation of Liability. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Common Expenses, or for injury or damage to person or property caused by the elements or by the Owner of any Condominium Unit, or any other Person, or resulting from electricity, water, snow, or ice that may leak or flow from any portion of the Common Areas or Limited Areas or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles that may be stored upon any of the Common Areas or Limited Areas. No diminution or abatement or Assessments for Common Expenses shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Limited Areas or from any action taken by the Association to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

Section 5.07. Negligence. Each Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his negligence or by that of his guests, employees, agents or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, or occupancy or abandonment of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

Section 5.08. Costs and Attorneys' Fees. In any proceeding arising because of failure of an Owner to make any payments required by, or to comply with any provisions of, the Declaration, the Act, these By-Laws, or the rules and regulations adopted pursuant thereto, as
each may be amended from time to time, the Association shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.
ARTICLE VI

Assessments

Section 6.01. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board shall cause to be prepared a proposed annual budget for the next fiscal year estimating the total amount of the Common Expenses for the next fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to each Owner. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments for the next fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a Majority Vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall include the amounts required for funding the reserve accounts required by Section 6.04 and 6.05. The failure or delay of the Board to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined.

Section 6.02. Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash required for the Common Expenses in the next fiscal year and required reserve amounts as set forth in said budget, contain a proposed assessment against each Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Condominium Unit. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as herein above provided. The Regular Assessment against each Condominium Unit shall be paid in advance in equal monthly installments, commencing on the first day of the first month of each fiscal year and on the first day of each month thereafter through and including the first day of the last month of each fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay monthly assessments in advance.

The Regular Assessments shall be payable in advance and shall commence at the time of closing and delivery of deed. In computing the initial payment the amount of the Regular Assessments shall be calculated by apportioning the payment based upon a thirty (30) day month until the due date for payment of the next Regular Assessment occurs.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Condominium Unit as of the first day of each fiscal year of the Association,
even though the final determination of the amount of such Regular Assessment may not have been made by that date. Installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statement to Owners for the same.

Section 6.03. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Condominium Unit, prorated in accordance with the Percentage Interest of each Condominium Unit. Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures or to pay for the cost of any repair or reconstruction of damage caused by fire or other cause or disaster to the extent insurance proceeds are insufficient therefore under the circumstances described herein or in the Declaration.

Section 6.04. Asset Reserve. The Board of Directors shall cause to be established and maintained a reserve fund for replacements and the purchase of new assets by the allocation and payment to such reserve fund not less often than annually of an amount determined by the Board to be sufficient to meet the costs of periodic maintenance, repair, renewal and replacement of the Common Areas and Limited Areas, including, but not limited to, painting the exterior of buildings, repairing or replacing the recreational facilities, and resurfacing, repairing or replacing streets, parking areas, sidewalks, roofs and other facilities and appurtenances. In determining the amount, the Board shall take into consideration the expected useful life of such Common Areas and Limited Areas, projected increases in the cost of materials and labor, interest to be earned by such funds, and the advice of, the Managing Agent and any consultants the Board may employ. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The asset reserve may be expended for the purpose of effecting the periodic maintenance, repair, renewal and/or replacement of assets, chattels, equipment, property, real estate and/or accessories situated in the Common Areas and Limited Areas. The asset reserve may be employed in the purchase of new assets. Such assets representatively consisting of but not confined to infrastructure, vehicles, personality, appurtenances, equipment, property, fixtures, real estate together with additions, enhancements, expansions and/or improvements to existing or future acquisitions in any of the foregoing categories. New assets shall not be purchased should the balance in the Asset Reserve Fund, net of outstanding checks, both prior & subsequent to the planned acquisitions be less than $80,000. The Board shall annually review the adequacy of the reserve fund. The proportionate interest of any Owner in any asset reserve shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the
Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.05. General Operating Reserve. The Board of Directors may establish and maintain a reserve fund for general operating expenses of a non-recurring nature by the allocation and payment to such reserve fund of such amount as the Board in its discretion determines to be reasonable under the circumstances. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be deposited in an interest bearing account with a bank or savings and loan association authorized to conduct business in Marion County, Indiana. The general operating reserve may be expended only for operating contingencies of a non-recurring nature. The proportionate interest of any Owner in any reserve fund for general operating expenses shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it pertains and shall be deemed to be transferred with such Condominium Unit.

Section 6.06. Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and, in the proper case, of the Limited Areas, of the Buildings, and toward any other expenses lawfully agreed upon, by waiver of the use of enjoyment of the Common Areas or by abandonment of the Condominium Unit belonging to him. Each Owner shall be personally liable for the payment of his Percentage Interest of all Assessments. Where the Owner constitutes more than one person, the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Assessment when due, a lien for such Assessment of the Owner's Condominium Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by law; provided, however, any lien for delinquent Assessments or other charges that the Association has on a Condominium Unit will be subordinate to a first mortgage on the Condominium Unit. In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Condominium Unit, and the Board shall be entitled to the appointment of the receiver for the purpose of preserving the Condominium Unit and to collect the rentals and other profits there from for the benefit of the Association to be applied to the unpaid Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Assessment without foreclosing or waiving the lien securing the same. In any action to recover an Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Condominium Unit.

Upon the failure of an Owner to make payments of any Regular or Special Assessments within ten (10) days after such are due, the Board, in its discretion, may:

(a) impose a late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board of up to five percent (5%) of the amount of the Assessment; provided, however, that in no event shall the late charge be less than Twenty-Five Dollars($25.00); said late charge to be levied on the eleventh day of each & every
month thereafter until the Special or Regular Assessment in arrears has been satisfied by negotiable funds; the Association to be reimbursed for bank fees charged for checks rejected for insufficient funds (NSF) plus payment of a sum equal to 15% of the bank’s NSF fee; any NSF draft returned after the tenth of the month shall be deemed as being in arrears & such subject to the terms & amount of the late penalty as heretofore described.

(b) accelerate the entire balance of the unpaid Assessments for the remainder of the fiscal year and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary;

(c) suspend such Owner’s right to use the recreational facilities within Newport Bay as provided in the Statute; and

(d) suspend such Owner’s right to vote as provided in the Statute.

Section 6.07. Waiver of Lien Upon Foreclosure. Notwithstanding anything to the contrary contained in the Declaration and these By-Laws, any sale or transfer of a Condominium Unit to a Mortgagee pursuant to a foreclosure of its mortgage or conveyance in lieu thereof, or a conveyance to any Person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Assessment as to such installments that became due prior to such sale, transfer or conveyance, but extinguishment of such lien shall not relieve the prior Owner from personal liability therefore. No such sale, transfer or conveyance shall relive the Condominium Unit or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Assessments thereafter becoming due or from the lien therefore. Such unpaid share of any Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the Condominium Unit from which it arose), as provided in the Act.

Section 6.08 For nonpayment of any & all indebtedness, liability, obligation, charges, expenses arising for whatever reason whatsoever over & beyond Maintenance Fees & Special Assessments the Association through its Board of Directors shall be empowered to encumber a homeowner’s residence within the Association’s domain with a legally enforceable lien for the principal amount of the liability plus, filing charges, attorney fees, court costs, late penalties together with interest on the aggregate claim at the maximum rate permitted by state statute. Foreclosure proceedings may be initiated at the option of the Board of Directors when deemed in the best interests of the Association without regard to any preliminaries except those prescribed by law. Prior to perfecting of a lien as heretofore mentioned the Association shall send via registered mail a written thirty (30) day notice establishing expressly why the homeowner owes the stated amount attended by reference to an enclosed copy of this article thus ensuring the homeowner’s awareness of the consequences for failure to discharge the obligation.
ARTICLE VII

Restriction, Entry and Rules and Regulations

Section 7.01. Restrictions on Use. The following restriction on the use and enjoyment of the Condominium Units, Common Areas, Limited Areas and the Property shall be applicable to Newport Bay:

(a) All Condominium Units shall be used exclusively for residential purposes and for occupancy by a single family all as permitted under local zoning ordinances. "Single Family" is defined as a single housekeeping unit, operating on a nonprofit, non-commercial basis between its occupants with a common kitchen and dining area.

(b) No additional buildings shall be erected or located on the Tract other than the Buildings designated in the Declaration, or a supplement or amendment to the Declaration, and shown on the Plans or plans filed with such a supplement or amendment to the Declaration, without the consent of the Board of Directors.

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

(d) No nuisance shall be permitted, including without limitation any activities which are unsafe or hazardous with respect to any person or property, and no waste shall be committed in any Condominium Unit, Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls or balcony of any Building, and no sign, awning, canopy, shutter, radio or television antenna, satellite dish or other attachment or thing shall be affixed to or be placed upon the exterior wall or roofs or any other parts of any Building without the prior written consent of the Board. Interior window and door drapes or coverings shall be of a neutral translucent color and texture or of the same color of the exterior facade surrounding the window or door.

(f) Nothing shall be done or permitted in any Condominium Unit that will impair the structural integrity of any Building or that would structurally change any Building or that would affect the exterior appearance of any Condominium Unit, except as otherwise provided in the Declaration or these By-Laws. No Condominium Unit shall be used in any unlawful manner or in any manner that might cause injury to the reputation of Newport Bay or that might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Condominium Units or neighboring property, including without limiting the
generality of the foregoing, noise by the use of any loud speakers, electrical equipment, amplifiers or other equipment or machines or loud person, and objectionable odors.

(g) The Common Areas and Limited Areas shall be kept free and clear of rubbish, debris and other unsightly materials. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common Area or Limited Areas.

(b) All Owners, guests, tenants or invitees, and all occupants of any Condominium Units or other Persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, Use and enjoyment of the Condominium Units and Common Areas and Limited Areas; includes but is not limited to rules relating to the keeping of animals, the parking or storage of vehicles or trailers and other matters incidental to the use of the Common Areas and Limited Areas.

Lease: No Owner may lease more than one Condominium Unit. The maximum number of villas/condominiums collectively being leased and/or sold on land contract shall not at any given time be more than four (4). The aforesaid numerical cap shall not apply to leases/land contracts by & between immediate family members as defined in Article XIV. Such lease agreements/land contracts must be for a minimum of one (1) year. Providing the existing number of leases/land contracts is less than the ceiling imposed in this section a homeowner may petition the Board of Directors to lease his residence or sell on land contract by presenting a certification on the Association’s form signed by both the homeowner (lessor/vendor) & the lessee/vendee attesting to:

A. The identity of the party who is:
   1. Responsible for payment of the monthly maintenance fee and special assessments.
   2. Responsible for payment of the real estate taxes.
   3. Liable to the Association for property damage.
   4. Empowered to vote at all homeowners’ meetings

B. A minimum maturity of one (1) year.
   The homeowner shall receive a letter of authorization with a copy to the lessee/vendee documenting both the agreed provisions and the requirement that any changes whatsoever shall necessitate a new Board Authorization based on an updated certification. Not later than ten (10) days following the execution of the sales agreement/lease/land contract the purchaser/lessor/vendor shall present to the Association a prepared confirmation bearing the signature of the purchaser/lessee/vendee attesting to the receipt of the Association’s Code of Bylaws & Homeowners’ Manual countersigned by the seller/lessor/vendor certifying to the transfer of the aforesaid documents.

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

(j) No Owner shall be allowed to place or cause to be placed in the Common or Limited Area lobbies, vestibules, stairways, hallways, garages, swimming pool area, exercise room, workroom, or areas of a similar nature and used for a similar purpose, any furniture or objects of any kind, without the consent of the Board.

(k) All garbage, trash and refuse shall be stored in appropriate containers inside the Condominium Unit (including the garage) or in an inconspicuous place with the Limited Area appurtenant thereto and shall be kept therein until no earlier than sundown of the
evening before scheduled trash collection. In the event trash chutes are provided within the Building then such chute shall be used by the Owners in a clean and sanitary manner that does not clutter the flooring and discharge point into the chute. In the event such garbage, trash or refuse is too bulky to place within the trash chute then garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for scheduled trash collection and shall be placed at such locations for trash collection as are designated by the Board.

(l) No "for sale," "for rent" or "for lease" signs or other advertising display shall be maintained or permitted on the property without the prior written consent of the Board except one "for sale" sign not to exceed 12 inches by 16 inches may be placed inside one window of a unit.

(m) Common Areas and Limited Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the provisions of the Declaration, these By-Laws and the rules and regulations from time to time adopted by the Board.

(n) No use shall be made of any part of the Real Estate which violates, and all Owners, members of their families, their guests, tenants, invitees and all occupants or other Persons entitled to use or who may use any part of the Real Estate, shall at all times fully comply with the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described in the Commitments Relative to Use or Development of Real Estate dated January 10, 1983, and recorded January 31, 1983, as Instrument No. 83-6821 in the Office of the Recorder of Marion County, Indiana.

(o) The Association shall have no right of first refusal to purchase any Condominium Unit which an Owner wishes to sell and an Owner may sell his/her Condominium Unit free of any such restriction.

(p) No industry, business, manufacturing, mercantile, storing, trade, or any commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property; provided, however, that an Owner may maintain an office or home business in the Condominium Unit if: (1) such office or business generates no significant number of visits or unreasonable parking usage (both as determined by the Board) by clients, customers or other persons related to the business; (2) no equipment or other items related to the business are stored, parked or otherwise kept outside such Owner's Condominium Unit; (3) there are no employees or independent contractors within the Condominium Unit other than the Owner or other resident; (4) such Owner has obtained approvals for such use as may be required by the appropriate local and state governmental agencies; and (5) all other provisions of these By-Laws, the Declaration and the rules and regulations are complied with. The Board may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use. No Condominium Unit shall be used or rented for transient, motel or hotel purposes.
(q) All rights and privileges are transferred with the title to a Condominium Unit. No rights or privileges belonging with a Condominium Unit may be excluded (withheld) at transfer of a Condominium Unit title (see garage and storage).

Section 7.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board. The Board shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed promptly to all Owners.

Section 7.03. Enforcement. The Association and any of its members shall have the right of enforcement of all restrictions and regulations adopted pursuant to Article VII. Any costs including reasonable attorneys fees may be recovered from any Owner for violation thereof; however, any reservation of right to the use of summary abatement or similar means to enforce restrictions against a Condominium Unit or its use shall require that judicial proceedings be instituted before any items of construction can be altered or demolished.
ARTICLE VIII

Insurance

Section 8.01. Coverage. The Board of Directors on behalf of the Co-owners shall obtain, maintain and pay the premiums upon, as a Common Expense, and keep in full force and effect at all times the following insurance coverage underwritten by companies duly authorized to do business in Indiana:

(a) Casualty or physical damage insurance in an amount equal to the full replacement cost of all buildings and improvements (as hereinafter defined) and all personal property owned by the Association with "agreed amount" and "inflation guard" endorsements, without deduction or allowance for depreciation (as determined annually by the Board with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

(1) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for Common Expenses with respect to Condominium Units, during any period of repair or construction;

(2) such other risks as are customarily covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery, explosion or damage, and such other insurance as the Board may from time to time determine.

(b) Comprehensive public liability insurance in such amounts as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of the Property or any portion thereof. Such coverage shall be for at least One Million Dollars ($1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under the insurance policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and Limited Areas, and legal liability arising out of lawsuits related to employment contracts of the Association.

(1) Such liability insurance shall contain no provisions relieving the insurer from liability for loss occurring while the hazard is increased, whether or not within the knowledge or control of the Board, or because of any breach of any warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them.

(2) Such liability insurance shall provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer.
giving at least thirty (30) days prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer.

(c) Workmen's compensation and employer's liability insurance in respect to employees of the Association in the amounts and in the form necessary to comply with any applicable law.

(d) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors.

The provisions of this Section 8.01 shall not be construed to limit the power or authority of the Board to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association or the Board may deem appropriate from time to time.

Section 8.02. Definition. As used in Section 8.01, the term "all buildings and improvements" means, without limitation, the Common Areas, Limited Areas, and the standard partition walls, fixtures, pipes, wires, conduits and installations installed in the Condominium Units as of the date of initial sale by Declarant, as shown on the Plans as amended from time to time, and replacements thereof, but does not mean any fixtures, alterations, installations or additions in or to a Condominium Unit made by an individual Owner of that Condominium Unit and not shown on the Plans. Fixtures, equipment and other personal property inside the Condominium Unit as shown on the Plans that will be financed by a first mortgage shall be included, whether or not such property is part of the Common Area.

Section 8.03. Form. Casualty insurance shall be carried in a form or forms naming as the insured the Association for the use and benefit of the Owners according to the loss or damage to their respective Condominium Units and Percentage Interest and payable in case of loss to Association. Every such policy of insurance shall:

(a) provide that the liability of the insurer there under shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Owner;

(b) contain no provisions relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach or warranty or condition or any other act or neglect by the Board or any Owner or any other Person under either of them;

(c) provide that such policy may not be canceled or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Board, all Owners, all Mortgagees and every other Person in interest who shall have requested such notice of the insurer;
(d) contain a waiver by the insurer of any right of subrogation to any right of the Board or Owners against any of them or any other Person under them;

(e) provide that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Owners do not elect to restore pursuant to Paragraph 10 of the Declaration;

(f) provide that the policy is primary in the event an Owner has other insurance covering the same loss.

(g) contain a standard mortgagee clause which shall

(1) provide that any reference to a mortgagee in such policy shall mean and include any Mortgagee, whether or not named therein and, where applicable, name as mortgagee Federal National Mortgage Association or Federal Home Loan Mortgage Corporation or their respective servicers, successors and assigns;

(2) provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or any Owner, or any Persons under any of them;

(3) waive any provision invalidating such mortgagee clauses by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the Mortgagee pay any premium thereon, and any contribution clause;

(4) provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association; and

Public liability and property damage insurance shall be carried in a form or forms naming as the insured the Board of Directors as trustee for each individual Owner, the Association, the Board of Directors, the Managing Agent, and any Person acting on behalf of the Association, and providing for payment of any proceeds therefrom to the Association. The Board shall promptly upon effecting such insurance deposit with each Owner a current certificate of such insurance, without prejudice to the right of any Owner to maintain additional public liability insurance for his Condominium Unit.

Section 8.04. Allocation of Insurance Proceeds. In the event of damage or destruction by fire or other cause to any part of the Property covered by insurance written in the name of the Board or Association as trustee for Co-owners and their Mortgagees, the following provisions shall apply:

(a) Common Areas and Limited Areas. Proceeds on account of damage to Common Areas and Limited Areas shall be allocated among the Co-owners in accordance with their respective Percentage Interests.
(b) Condominium Units. Proceeds on account of damage to Condominium Units shall be allocated as follows:

(1) If the Building in which the damaged Condominium Unit is located is to be restored, insurance proceeds shall be allocated to such Condominium Unit in the proportion that the cost of Restoration of such Condominium bears to the cost of Restoration of all damaged Condominium Units, such cost to be determined by the Board. In determining such cost, the Board shall not take into consideration the cost of repairing any items specifically excluded from insurance coverage pursuant to the provisions of Section 8.02.

(2) If the Building in which the damaged Condominium Unit is located is not to be restored, insurance proceeds shall be allocated to such Condominium Unit in accordance with the agreed amount of the replacement cost of such Condominium Unit.

(3) In the event a mortgage endorsement has been issued with respect to a particular Condominium Unit, the amount of the insurance proceeds allocated to the Owner of such Condominium Unit shall be held in trust for the Mortgagee and the Owner as their interests may appear, but no Mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be restored or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Owner and Mortgagee pursuant to the provisions of these By-Laws.

Section 8.05. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Owners and their Mortgagees as their respective interests appear, in the following manner:

(a) Expense of Trust. All expenses of the Insurance Trustee, if applicable, shall be first paid or provision made therefore.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof pursuant to the provisions of Article IX. Any proceeds remaining after defraying such costs shall be retained by the Association and added to the reserve for replacements established pursuant to the reserve for replacements established pursuant to Section 6.04, except that, with respect to a Condominium Unit in which there was damage to items excluded from insurance coverage pursuant to Section 8.02, the Owner of such Condominium Unit shall be entitled to receive out of such remaining proceeds his pro-rata share thereof determined according to his Percentage Interest.

(c) Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be
distributed in accordance with Section 21 of the Act.

(d) Certificate. In making distributions to Owners and their mortgagees, the Board may rely upon its records as to the names of the Owners and their respective shares of the distribution, and, with respect to the names of mortgagees, may rely upon a certificate from an attorney-at-law who, or a title insurance company which, has examined the Mortgage Records in the office of the Recorder of Marion County, Indiana, as to the names of the holders of mortgages of record.

Section 8.06. Association as Owner's Agent. The Association, acting by its Board of Directors, is hereby irrevocably appointed agent for each Owner and for each Owner of a mortgage or other lien upon a Condominium Unit and for each owner of any other interest in the Property to negotiate all claims arising under insurance policies purchased by the Board, and to execute and deliver releases upon the payment of claims.

Section 8.07. Individual Policies - Recommendation of Association. The Association recommends that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a policy insuring against loss or damage to personal property used or incidental to the occupancy of the Condominium Unit, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering losses to improvements and betterments to the Condominium Unit made or acquired at the expense of the Owner. Any Owner or Mortgagee may obtain additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Condominium Unit made or acquired at the expense of the Owner) at his own expense. Such insurance shall provide that it shall be without contribution as against the insurance maintained by the Board. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 8.03(d). If an insured loss is sustained on the Property and the amount of insurance proceeds that would otherwise be payable to the Association is reduced due to proration of insurance purchased pursuant to this Section, the Owner shall assign the proceeds of the personally purchased insurance, to the extent of the amount of the reduction, to the Association to be distributed as provided in Section 8.05.

Section 8.08. Certificates. Upon request, the Association shall cause to be issued to each Owner and each Mortgagee a certificate of insurance evidencing the insurance carried by the Association.
ARTICLE IX

Damage or Destruction

Section 9.01. Procedure for Restoration or Repair. In the event of damage or destruction to the Common Property by fire, other cause, or as a result of condemnation, and Restoration or repair of the Property is required or authorized pursuant to Paragraph 10 or Paragraph 11 of the Declaration, such Restoration or repair shall be undertaken in accordance with the provisions of this Article.

Section 9.02. Estimate of Cost. Promptly after the occurrence of the damage or destruction to the Property that the Association has the responsibility to restore or repair, the Board shall obtain reliable and detailed estimates of the cost to restore or repair. The services of an architect to supervise the Restoration or repair and the disbursement of the construction funds shall be obtained as the Board may deem appropriate.

Section 9.03. Plans and Specifications. Any Restoration or repair must be either substantially in accordance with the Plans or according to plans and specifications approved by a Majority of Owners, and if damaged Property contains any Condominium Units, by all of the Owners of the damaged Condominium Units, which approval shall not be unreasonably withheld.

Section 9.04. Responsibility. If the damage is only to those parts of a Condominium Unit for which the responsibility of maintenance and repair is that of an Owner, then the Condominium Unit Owner shall be responsible for the cost of Restoration and repair unless such damage is specifically covered by the insurance purchased by the Board, in which event the Association shall be responsible for said costs.

Section 9.05. Deductibles. If the damage to property is caused by malfunction of property for which a home (unit) owner is responsible, such as but not limited to water damage, the homeowner whose property caused the damage must pay for repair or replacement of damaged property.

Section 9.06. Insurance Trustee. The Board of Directors may deposit funds for payment of the costs of Restoration or repair, which shall consist of the proceeds of insurance held by or payable to the Insurance Trustee, such amounts from the reserve for replacements as are authorized by the Board for the purpose of Restoration or repair, and the funds collected by the Board from Special Assessments against Owners, with an Insurance Trustee, if any, who shall apply or disburse the same in payment of the costs of Restoration or repair as provided in this Article. The duty of the Insurance Trustee shall be to receive such proceeds or awards as are paid and to hold the same in trust for the purposes herein and in the Declaration stated, and for the benefit of the Co-owners and their Mortgagees as herein and in the Declaration provided.

Section 9.07. Certificates. The Association's Board may rely upon a certificate provided
by an architect, if any, employed by the Board to supervise the Restoration, or by the Board, with respect to the payments to be made to contractors undertaking the Restoration and/or repair.
ARTICLE X
Fiscal Management

Section 10.01. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 10.02. Books of Account. Books of account of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices, and shall include a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses.

Section 10.03. Inspection. All books, records and accounts, and all vouchers accrediting the entries made thereupon, shall be available for examination by an Owner or a Mortgagee or any duly authorized agent or attorney of an Owner or Mortgagee at any time during normal business hours for purposes reasonably related to his interest as an Owner.

Section 10.04. Auditing. Unless otherwise agreed by a Majority of Owners, at the close of each fiscal year, the books and accounts of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards.

Section 10.05. Annual Financial Statement. Prior to the annual meeting of the Association, the Board of Directors shall cause to be prepared and delivered to the Co-owners an annual financial statement, certified to by the Treasurer, showing all income and all disbursements of the Association during the previous fiscal year. To the extent possible, such financial statement shall be based upon the report prepared pursuant to Section 10.04. The requirements of this Section 10.05 shall be satisfied if the Board causes to be delivered to each Owner prior to the annual meeting of the Association a copy of the report prepared pursuant to Section 10.04.

Section 10.06. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by two officers of the Board, and all checks shall be executed on behalf of the Association by such officers, agents, or other individuals as are from time to time so authorized by the Board.
ARTICLE XI

Amendment to By-Laws

Section 11.01. Procedure. Subject to any contrary, over-riding or superseding provisions set forth herein or in the Declaration, these By-Laws may be amended in the same manner, and subject to the same limitations and requirements as amendments to the Declaration, as set forth in Paragraph 14 of the Declaration. Amendments to these By-Laws shall be considered as amendments of the Declaration and shall be recorded in the Office of the Recorder of Marion County, Indiana, as required by the Declaration and the Act.

Section 11.02. Amended and Restated By-Laws. An amended and restated By-Laws, containing the original By-Laws and all amendments theretofore made, may be executed any time or from time to time by a majority of the then Board of Directors and shall, upon recording in the office of the Recorder of Marion County, Indiana, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original By-Laws and the various amendments thereto.
ARTICLE XII

Mortgages

Section 12.01. Notice to Association. Any Owner who places a first mortgage lien upon his Condominium Unit or the Mortgagee shall notify the Secretary thereof and provide the name and address of the Mortgagee. A record of such Mortgagee's name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, these By-Laws or the Act shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled to vote by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage.

Section 12.02. Notices to Mortgagees. The Association shall promptly provide to any Mortgagee of whom the Association has been provided notice under Section 12.01 of these By-Laws notice of any of the following:

(a) Any proposed termination of the Regime or any condemnation or casualty loss that affects either a material portion of Newport Bay or the Condominium Unit securing its mortgage;

(b) Any delinquency in the payment of Regular or Special Assessments owed by the Owner of any Condominium Unit on which said Mortgagee holds a mortgage, if said delinquency continues for more than sixty (60) days;

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

(d) Any proposed action that required the consent of a specified percentage of Mortgagees; and,

(e) Any proposed amendment of the Organizational Documents effecting a change in (i) the boundaries of any Condominium Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Areas or Limited Areas appertaining to any Condominium Unit or the liability for Common Expenses appertaining thereto, (iii) the Percentage Vote appertaining to a Condominium Unit or (iv) the purposes for which any Condominium Unit or the Common Areas are restricted.

Section 12.03. Notice of Unpaid Assessments. The Association shall, upon request of the Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Condominium Unit, furnish to such mortgagee or purchaser a statement setting forth
the amount of the unpaid Assessments against the Condominium Unit, which statement shall be
binding upon the Association and the Co-owners, and any Mortgagee or grantee of the
Condominium Unit shall not be liable for, nor shall the Condominium Unit conveyed by subject
to a lien for, any unpaid Assessments in excess of the amount set forth in such statement or as
such Assessments may be adjusted upon adoption of the final annual budget, as referred to in
Section 6.02 hereof.

Section 12.04. Financial Statements. Upon the request of any Mortgagee, the Association
shall provide to said Mortgagee the most recent financial statement prepared on behalf of the
Association pursuant to Section 10.04 and 10.05 of these By-Laws.
ARTICLE XIII

NONCOMPLIANCE

Section 13.01 A reproduction of this article is to be affixed to a thirty (30) day registered letter informing the home owner/lessee/vendee with a registered copy to the lessor/vendor that unless his/her violation(s) of expressly identified stipulations requirements, rules as mandated in the Association’s By-Laws and/or Home Owners’ Manual has been rectified then commencing with the expiration of the thirty (30) day notice & continuing every thirty (30) days thereafter a fine of not less than two hundred dollars ($200) shall become due & payable until such time as full compliance with both the Association’s Bylaws & Home Owners’ Manual has been categorically established & all cumulative fines have been satisfied with negotiable funds.

Section 13.02 Should a home owner/lessee/vendee fail to comply with a written request to cease & desist in his/her contravention of disciplines as prescribed in the Association’s Bylaws and/or Home Owners’ Manual governing personal behavior, deportment, decorum, conduct - e.g. ban prohibiting glass objects in & around the pool area - then the second letter shall without exception conform in every respect to the one described in Section .01 of this Article.

Section 13.03 By majority resolution & absent further communication either written or otherwise the Board of Directors of Newport Bay Owners Association may elect at any point beyond the expiration of the thirty (30) day notice to exercise its lawful prerogative to garnishee wages and/or perfect a residential lien with the County Recorder of Marion County such actions to be effected as security for the monetary claims arising from Sections .01 & .02 of this Article. The home owner/lessee/vendee shall be jointly & severally liable for all legal costs, filing fees & other expenses incurred in the enforcement of Sections .01 & .02 of this Article. The lien/garnishment to be released only upon dual consummation of the prerequisites described in “A” & “B” below:

A. Verification correction of the specified violations.
B. The receipt in negotiable funds of the cumulative monthly fines of two hundred dollars ($200).
ARTICLE XIV

Miscellaneous

Section 14.01. Membership. Each Member shall automatically become a member of the Association upon delivering of title to a Condominium Unit. Such membership shall be non-transferable and membership shall automatically transfer to the new owner.

Section 14.02. Personal Interests. No Member shall have or receive any earnings from the Association, except a Member who is an officer, director or employee of the Association may receive fair and reasonable compensation for his services as officer, director or employee.

Section 14.03 Gender. Wherever the pronoun "his" appears in the text of these By-Laws & auxiliaries thereto it shall be construed to apply to either the male or female gender contingent upon the context of the sentence in which the term is used.

Section 14.04 Family Members. This term shall be interpreted as consisting of and confined to spouse, mother, father, child, brothers, sisters, grandchildren, and grandparents.

***
APPENDIX A
CHECKLIST OF MAINTENANCE/REPAIR RESPONSIBILITIES
CLARIFICATION OF AND EXCEPTIONS TO ARTICLE V SECTION 5.01

<table>
<thead>
<tr>
<th>Chimneys:</th>
<th>OWNERS</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flashing (exterior)</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cleaning</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dock steps &amp; docks:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common steps &amp; dock</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Private dock maintenance, repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Private steps maintenance, repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ductwork:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drive repairs:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dryer vents:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior vents</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Piping in wall only</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cleaning in wall only</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exterior doors:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Door repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Hardware &amp; jams</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Operation &amp; adjustments</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior caulking, painting &amp; trim</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior frames &amp; thresholds</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

| Exterior lights:        |        | x           |

<table>
<thead>
<tr>
<th>Face bricks:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

| Fences (screening, privacy, patio) and gates: |        |             |
| Replacement & repair                |        | x           |
| Painting                              |        | x           |

| Flower & garden beds (incl. mulching): |        |             |

Appendix A
Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc.

October 28, 2010
Page 1 of 5
<table>
<thead>
<tr>
<th>OWNERS</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Side &amp; rear of villas</td>
<td>x</td>
</tr>
<tr>
<td>Within yards</td>
<td>x</td>
</tr>
<tr>
<td>Front of villas &amp; other common beds</td>
<td>x</td>
</tr>
</tbody>
</table>

**Furnaces & air conditioners:**

<table>
<thead>
<tr>
<th>Labor:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning</td>
</tr>
<tr>
<td>Inspection &amp; testing</td>
</tr>
<tr>
<td>Service call to replace mechanical components</td>
</tr>
<tr>
<td>Service call to replace non-mechanical components</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Parts:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement &amp; repair of mechanical components (see Homeowners Manual for detailed list)</td>
</tr>
<tr>
<td>Replacement &amp; repair of non-mechanical components (see Homeowners Manual for detailed list)</td>
</tr>
</tbody>
</table>

**Note:** When repairs are made at the same time to items for which the Association is responsible and to items for which the homeowner is responsible, the cost of the service call will be split equally.

**HVAC add-on equipment:**

| Humidifiers | x |
| Dehumidifiers | x |
| Water softeners | x |
| Water purifiers | x |
| Air cleaners | x |

**Interior repairs:**

| Settling cracks | x |
| Appliances, lights, thermostats | x |
| Caulking (interior) | x |
| Plumbing, electric, gas lines-outside unit boundaries | x |
| Plumbing, electric, gas lines-inside unit boundaries | x |
| Plumbing fixtures | x |

Appendix A October 28, 2010
Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc. Page 2 of 5
<table>
<thead>
<tr>
<th>Lawn:</th>
<th>OWNERS</th>
<th>ASSOCIATION</th>
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</thead>
<tbody>
<tr>
<td>Common and limited areas</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Cutting</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Trimming</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Fertilization &amp; Insects</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Replacement</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Painting:</th>
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</thead>
<tbody>
<tr>
<td>Interior of unit</td>
<td></td>
<td>x</td>
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<tr>
<td>Exterior of unit</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Patio concrete &amp; wooden decks:</th>
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<tbody>
<tr>
<td>Maintenance, repair &amp; replacement</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Extension with approval</td>
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</table>

<table>
<thead>
<tr>
<th>Road signs:</th>
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<table>
<thead>
<tr>
<th>Road repairs:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common &amp; private streets</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Roofs:</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Shingles &amp; flashing</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Gutters &amp; downspouts</td>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>Roof leak damage:</th>
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</thead>
<tbody>
<tr>
<td>Repair (exterior)</td>
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<td>x</td>
</tr>
<tr>
<td>Repainting (interior)</td>
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<tr>
<td>Drywall</td>
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<table>
<thead>
<tr>
<th>Security Alarm System:</th>
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<tbody>
<tr>
<td>Key Pad</td>
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<td>x</td>
</tr>
<tr>
<td>Smoke Detector</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Panic Button</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Door and Window</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Contacts</td>
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<td></td>
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<tr>
<td>Interior System Wiring</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Exterior System Wiring</td>
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</tbody>
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Appendix A
Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc.
<table>
<thead>
<tr>
<th>OWNERS</th>
<th>ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mother Board</td>
<td>x</td>
</tr>
<tr>
<td>Battery Backup</td>
<td>x</td>
</tr>
</tbody>
</table>

Snow removal:
- Stoops & sidewalks | x |
- Common streets & drives | x |

Storm doors:
- Maintenance, repair & replacement | x |
- Installation | x |
- Screens | x |

Termite control: | x |

Trees & shrubs:
- Pruning & removal | x |
- Fertilization & spraying | x |
- Weeding common & limited area | x |
- Additional planting | x |

Villa garages:
- Floor & other interior repair & replacement | x |
- Door operation, openers, & jams | x |
- Door repair & replacement | x |
- Door exterior painting, framing & trim | x |

Windows:
- Skylights | x |
- Exterior framing & trim | x |
- Exterior caulking & painting | x |
- Flashing | x |
- Exterior sills if separable from jams | x |
- Sashes, jams, glass & mechanism | x |
- Exterior sills if not separable from jams | x |
- Operation & adjustment | x |
- Screens | x |
- Window washing (exterior) | x |

Appendix A
Amended & Restated Code of By-Laws
Newport Bay Owners Association, Inc.

October 28, 2010
Page 4 of 5
Anything within a unit not listed here is the responsibility of the homeowner.

Damage to property where the source of the damage is an item not maintained by the Association is the responsibility of the homeowner & their insurance carrier.

Damage to property from any act of negligence or failure to maintain is the responsibility of the negligent party & their insurance carrier.

Vendors are instructed to bill the homeowner directly for all repairs within units except where the service is provided as a result of a contract with the Association. Homeowners will be promptly reimbursed by the Association for those items for which the Association is responsible upon receipt of a copy of the bill.

All homeowners/lessees/vendees shall use the vendors retained by the Association to perform the services for which the Association is responsible as marked in the Appendix. Should a homeowner/lessee/vendee decide to select a vendor other than the one employed by the Association to render the services designated as the Association's responsibility, then the homeowner/lessee/vendee shall be constitutionally liable to the absolute exclusion of any participation by the Association for all costs and expenses incurred through the engagement of an alternate vendor.