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AMENDED AND RESTATED DECLARATION

OF

SPIRIT LAKE

HORIZONTAL PROPERTY REGIME

INCLUDING THE

AMENDED AND RESTATED CODE OF BY-LAWS OF

SPIRIT LAKE

CO-OWNERS ASSOCIATION, INC.

Cross-References:

- Instrument No. 2002-57278
- Instrument No. 2003-50973
- Instrument No. 2005-8445
- Instrument No. 2005-68326
- Instrument No. 2005-45792
- Instrument No. 2010-21122
- Instrument No. 2011-12443
- Instrument No. A2013-105821

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**AMENDED AND RESTATED DECLARATION OF
SPIRIT LAKE
HORIZONTAL PROPERTY REGIME**

THIS AMENDED AND RESTATED DECLARATION OF SPIRIT LAKE HORIZONTAL PROPERTY REGIME ("Declaration") was made as of the date set forth below.

WITNESSETH:

WHEREAS, the Spirit Lake condominium community located in Marion County, Indiana was originally created and formed pursuant to the Indiana Condominium Act, now codified at Indiana Code § 32-25-1-1 *et seq.*, as amended,, and pursuant to a certain "Declaration of Spirit Lake Horizontal Property Regime," recorded in the Office of the Recorder of Marion County, Indiana, on March 26, 2002, as Instrument No. 2002-57278 (hereafter, the "Declaration"), to which were attached as an exhibit the Code of By-Laws of Spirit Lake Co-Owners Association, Inc. (hereafter, the "By-Laws"), said By-Laws being recorded on the same date and under the same Instrument No. 2002-57278; and

WHEREAS, the Declaration established an expandable horizontal property regime; and

WHEREAS, the original developer of Spirit Lake annexed additional sections or phases of property to the Spirit Lake Horizontal Property Regime upon the recording of amendments and/or supplements to the Declaration whereby a total of sixty (60) Dwelling Units were established, together with Common Areas and Limited Areas; and

WHEREAS, Section 24 of the Declaration, as amended, enables the same to be amended upon approval by a vote of not less than a majority of the vote of all of the Co-Owners; and

WHEREAS, at the annual meeting of the Spirit Lake Co-Owners Association, Inc. ("Association") held on December 11, 2013, the Owners holding a majority of the vote of all of the Co-Owners voted to approve this Amended and Restated Declaration and the Amended and Restated Code of By-Laws attached hereto, pursuant to the terms below; and

WHEREAS, the Owners of said Dwelling Units desire to amend certain provisions of the Declaration and the Code of By-Laws and to restate the same for the convenience of the Owners such that this Amended and Restated Declaration of Spirit Lake Horizontal Property Regime and the Amended and Restated Code of By-

Laws attached hereto in no way nullify the original Declaration and By-Laws or the effective date of the original Declaration and the original By-Laws. The original Declaration contained various exhibits (in addition to the Codes of By-Laws), as did the various supplemental declarations that were recorded as additional phases or sections were annexed and added to Spirit Lake. For historical purposes, these various exhibits may be referred to from time to time, and therefore, for cross-reference purposes, one should refer to those original documents as they were filed with the Marion County Recorder. Those exhibits, however, are not exhibits to this Amended and Restated Declaration. Except as to any exhibits to the original documents that may remain relevant, all other provisions of the original Declaration, including the Codes of By-Laws attached thereto, are hereby modified in their entirety, and superseded by this Amended and Restated Declaration.

NOW, THEREFORE, the Declaration of Spirit Lake Horizontal Property Regime is hereby amended and restated as follows:

Section 1. Definitions The following terms whenever used in this Declaration shall have the following assigned meanings:

- (a) "Act" means the Horizontal Property Act of the State of Indiana, Acts 1963, Chapter 349, Sections 1 through 31, as amended. The Act is now known as the Indiana Condominium Act and is codified at Indiana Code 32-25-1-1, *et seq.*
- (b) "Association" means the incorporated association of Co-Owners of the Regime, more particularly described in Section 8.A, known as Spirit Lake Co-Owners Association, Inc., an Indiana nonprofit corporation.
- (c) "Board of Directors" means the governing body of the Association elected by the Co-Owners in accordance with the By-Laws, and shall be synonymous with the term "Board of Directors" as used in the Act.
- (d) "Building" shall mean a single structure which contains more than one Dwelling Unit. There are eight (8) Buildings in Spirit Lake.
- (e) "By-Laws" means the Code of By-Laws of the Association, providing for the administration and management of the Association, a true copy of which is attached to this Declaration and incorporated herein by reference.

(f) "Common Areas" means the General Common Areas as defined in Section 4 of this Declaration and the Limited Areas as defined by Section 5 of this Declaration.

"Common Expenses" means expenses of administration of the Association, expenses for the upkeep, maintenance, repair and replacement of the Common Areas and all other costs and expenses incurred by the Association for the benefit of the Common Areas or for the common benefit of all Co-Owners; provided, however, that Common Expenses shall not include any costs of initial construction of any Building or other Property or improvements on any portion of the Tract, nor any costs or repairs covered by any warranty of the original developer of Spirit Lake as builder of the Buildings and other Property within the Regime.

(h) "Co-Owners" individually means, and collectively means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which owns the fee simple title to a Dwelling Unit; provided, that persons or entities owning a single Dwelling Unit as tenants in common, joint tenants, tenants by the entireties, or any form of joint or divided ownership, shall be deemed one Co-Owner for purposes of this Declaration.

(i) "Declarant" means Spirit Lake, LLC, the original developer of Spirit Lake and the builder of the Dwelling Units.

(j) "Dwelling Unit" means any individual residential unit within the Regime which is to be transferred to a Co-Owner for exclusive occupancy by said Co-Owner or its successors or assigns, each individual unit being more particularly described and identified on the Plans and in Sections 2 and 3 of this Declaration. There are a total of sixty (60) Dwelling Units.

(k) "Formula" means the method set forth in Section 15 of this Declaration for computing the Percentage interest applicable to each Dwelling Unit.

(l) "Garage" means the enclosed, ground-level parking garage appurtenant to each Building, as more particularly defined in Section 5(e) of this Declaration.

(m) "General Common Areas" means those Common Areas the use and enjoyment of which is not limited to certain Dwelling Units, as further described and defined in Section 4 of this Declaration.

(n) "Limited Areas" means those Common Areas, the use and enjoyment of which is limited to a certain Dwelling Unit or Units, as defined in Section 5 of this Declaration.

(o) "Managing Agent" means any person or entity to which the management responsibilities of the Association are delegated under Section 13 of this Declaration.

(p) "Mortgagee" means the holder, insurer, or guarantor of any first mortgage on any Dwelling Unit.

(q) "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas and Limited Areas appertaining to each Dwelling Unit as determined in accordance with Section 6 of this Declaration.

(r) "Plans" means the floor and building plans of all the Buildings and Dwelling Units on the Real Estate and the site plan, survey and elevation plan of the Real Estate and Buildings, duly certified by a registered architect or licensed professional engineer and made a part of "the Regime".

(s) "Property", "Real Estate" and "Spirit Lake" mean the Spirit Lake real estate and appurtenant easements, the Dwelling Units, the Buildings, and all other improvements of every kind and nature whatsoever, now or hereafter located upon the Real Estate and used in connection with the operation, use and enjoyment of the Regime.

(t) "Regime" means the Horizontal Property Regime created by this Declaration.

(u) "Vote" means singly, the single vote attributable to each Dwelling Unit, and collectively, all the votes attributable to all of the Dwelling Units, each such vote being exercisable by the Co-Owner of each Dwelling Unit, as described in Section 7 of this Declaration and in the By-Laws.

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Section 2. Description of Dwelling Units. Spirit Lake contains eight (8) Buildings, containing a total of sixty (60) Dwelling Units, as shown on the Plans filed with the Office of the Recorder of Marion County, Indiana, as further described in Section 32 hereof. Said Dwelling Units are identified and referred to in the Plans and in this Declaration as Dwelling Units numbered 1 through 60, inclusive. Except for Building No. 6, each Building contains a ground floor for parking garages for the Dwelling Units of the applicable Building, and then four (4) floors of Dwelling Units, with two (2) Dwelling Units per floor.

Building No. 6 contains:

- an area that contains the Association's exercise room, an office/storage area, a storage area (Limited Area) reserved for Dwelling Unit 401 in that Building, and a General Common Area;
- a ground floor for parking garages for the Dwelling Units of that Building, the ground-level Association's clubhouse, and mechanical and electrical equipment rooms; and
- three (3) floors of Dwelling Units, with two (2) Dwelling Units on level 2 and one Dwelling Unit each on the top two (2) floors.

The legal description for each Dwelling Unit shall consist of the numeric designation of the particular Dwelling Unit and reference to this Declaration and any relevant amendments then of record. Each Dwelling Unit shall consist of all space within the boundaries thereof (as hereinafter described) and all fixtures, facilities, utilities, equipment, appliances, and structural components within said boundaries which are designed or intended to be solely and exclusively for the enjoyment, use and benefit of the Dwelling Unit. Not included in any Dwelling Unit are those fixtures, facilities, utilities, equipment, appliances, and structural components designed or intended for the use, benefit, support, safety or enjoyment of more than one Dwelling Unit, or which may be necessary for the same, or which are specifically defined or described herein as General Common Areas or Limited Areas, or which are normally intended for common use; provided, however, that all fixtures, equipment and appliances designed or intended for the exclusive enjoyment, use and benefit of a Dwelling Unit shall constitute a part of such Dwelling Unit, even if the same are located wholly or partly outside the boundaries of such Dwelling Unit.

Section 3. Boundaries. The boundaries of each Dwelling Unit shall be as shown on the Plans. The vertical boundaries shall run from the interior, unfinished

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surfaces of the lowermost floors to the interior, unfinished surfaces of the uppermost ceilings, and the horizontal boundaries shall be the interior, unfinished drywall surfaces of the common walls and exterior walls and the unfinished interior surfaces of the doors and windows of each Dwelling Unit, except that all doors, glass, screens and air conditioning and heating units serving a Dwelling Unit, wherever located, shall be deemed a part of the Dwelling Unit. In the event that any horizontal or vertical boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or roof of the Dwelling Unit because of inexactness of construction, settling after construction, or for any other reasons, the boundary lines of each Dwelling Unit shall be deemed to be and treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction. In such case, permanent easements for exclusive use shall exist in favor of the Co-Owner of each Dwelling Unit in and to such space lying outside of the boundary lines of the Dwelling Unit as indicated on the Plans, but within the walls, floors, and ceilings of the Dwelling Unit as the same may actually exist.

Section 4. General Common Areas. General Common Areas shall include the following, except to the extent otherwise specifically designated in Section 2, 3, or 5 as being within a Dwelling Unit or as Limited Areas:

- (a) the yards, gardens, open spaces, fences, and landscaping;
- (b) sidewalks, streets, driveways, and (to the extent the same are not designated as reserved parking spaces for specific Co-Owners) certain unenclosed and uncovered parking areas located on the Tract as more particularly shown on the Plans and described in Section 5 (e);
- (c) exterior lighting fixtures and electrical service, except where separately metered to a particular Dwelling Unit;
- (d) electrical, gas (if any), water, sanitary sewer, telephone, and cable television lines, mains, pipes, ducts, conduits, wiring and insulation within the Buildings;
- (e) interiors of all structural walls and floors, including all exterior walls and attic space, walls between horizontally adjacent Dwelling Units, and floors between vertically adjacent Dwelling Units;
- (f) foundations, roofs, exterior wall surfaces of Buildings, and all other elements and components of the Buildings not expressly included as part of Dwelling Units or Limited Areas, including, without limitation,

all hallways, stairways, lobbies, vestibules and elevators serving each Building, as shown on the Plans;

- (g) all other structures, areas, and facilities not expressly defined as Limited Areas in Section 5 or expressly included within the Dwelling Units by Sections 2 or 3 of this Declaration including, without limitation, any trash chute located on any floor and between the walls of the Building and the trash room to which such trash chute is connected.
- (h) street-side balconies intended as fire escapes for Buildings 5, 7 and 8;
- (i) in Building 6, the clubhouse, the exercise room, and the office/storage area;
- (j) the outside swimming pool.

Section 5. Limited Areas. Limited Areas shall consist of the following:

- (a) Storage Areas. Storage areas, if any, shall be limited to the exclusive use of a particular Dwelling Unit as designated on the Plans. The exclusive use of such storage areas shall pass with title to the Dwelling Unit for which such area is designated, even though not expressly mentioned in the document passing title. The storage areas and use thereof shall be subject to such rules and regulations as may be deemed appropriate and be adopted by the Board of Directors. A Co-Owner may grant a license to any other Co-Owner to use all or part of his or her storage area, provided such license shall expire when the Co-Owner granting the license ceases to be a Co-Owner of the Dwelling Unit for which the storage area is designated. Any such license agreement shall be in writing and an executed copy thereof shall be furnished to the Board of Directors. The licensee shall be bound by and subject to all the obligations of the Co-Owner with respect to such storage area, but the Co-Owner granting such license shall not be relieved thereby from any of his or her obligations regarding such storage area.
- (b) Entranceways. The entranceways through which access to a Dwelling Unit is obtained are limited to the use of the Dwelling Unit or Dwelling Units served by such entranceway.
- (c) Patios and Balconies. The patios, balconies, terraces and porches that are located on the lake-side, are limited to the use of the Dwelling Unit or Dwelling Units to which they are appurtenant. In Spirit Lake, the

balconies that are on the lake side of the Buildings are also called terraces.

- (d) Driveways. The driveways, walkways, and similar areas used for access to particular individual Buildings are limited to the use of the Buildings so served.
- (e) Garage and Parking Areas. Each Building contains an enclosed ground-level parking facility containing parking spaces or garages as shown on the Plans (a "Garage"). One (1) space in each Garage shall be designated for the exclusive use of a particular Dwelling Unit in the Building to which the Garage is appurtenant, and the remaining six (6) spaces in such Garage ("Excess Covered Spaces") were sold by the original developer to certain Owners; provided, however, any Co-Owner who does not acquire one or more of the Excess Covered Spaces shall be granted the exclusive use of one (1) exterior, unclosed, uncovered parking space in an exterior parking lot in the Regime, as shown on the Plans. A Co-Owner may grant a license to any other Co-Owner to use all or part of his or her garage parking space(s), provided such license shall expire when the Co-Owner granting the license ceases to be a Co-Owner of the Dwelling Unit for which the garage parking space(s) is designated. Any such license agreement shall be in writing and an executed copy thereof shall be furnished to the Board of Directors. The licensee shall be bound by and subject to all the obligations of the Co-Owner with respect to such garage parking space(s), but the Co-Owner granting such license shall not be relieved thereby from any of his or her obligations regarding such garage parking space(s).
- (f) Visitor Parking and Exterior Parking Spaces. The Co-Owners of Dwelling Units in each Building shall be entitled to allow visitors and guests the non-exclusive, temporary use of the unassigned exterior parking spaces associated with such Building as shown on the plans. Such unassigned spaces are for visitors and guests only. Co-Owners can only use their assigned exterior parking spaces. Otherwise, any Co-Owner who desires to utilize an unassigned exterior parking space on a regular basis as determined by the Board of Directors must either rent it from the Association or otherwise make arrangements for the use of the same through an agreement with the Board of Directors.

Section 6. Ownership of Common Area and Percentage Interest. In connection with and as an inseparable part of the ownership of each Dwelling Unit,

each Co-Owner thereof shall have an undivided interest in the Common Areas as a tenant in common with all other Co-Owners, such interest to be equal to the Percentage Interest applicable to the Dwelling Unit. The Percentage Interest in the Common Areas applicable to each Dwelling Unit shall be determined in accordance with the Formula set forth in Section 15 of this Declaration. The Percentage Interest applicable to each Dwelling Unit shall be 1.667%.

Section 7. Membership in Association and Vote. In connection with and as an inseparable part of the ownership of each Dwelling Unit, each Co-Owner shall be a member of the Association. Each Dwelling Unit shall have one (1) vote, which the Co-Owner shall be entitled to cast at each meeting of the Association on each matter on which the Co-Owners may vote. If a Dwelling Unit is owned by a husband and wife, by joint tenants with the right of survivorship or as tenants in common, the Co-Owners of such Dwelling Unit shall collectively determine among themselves how to cast the single vote for the Dwelling Unit. Unless otherwise stated in the Act, the By-Laws, or this Declaration, matters to be undertaken or performed by the Association or requiring a vote of the Co-Owners shall be so undertaken or performed only upon the approval thereof by a majority of the votes cast at the meeting of the Association at which such matter is considered (provided a quorum is present in person and/or by proxy).

Section 8. Association of Co-Owners, Recreational Facilities.

A. Association of Co-Owners. In order to provide for the maintenance, repair, replacement, administration and operation of the Property and in compliance with the provisions of the Act, the Association has been created. Each Co-Owner shall be a member of the Association, but membership shall terminate when such person ceases to be a Co-Owner, and such membership shall automatically transfer to the new Co-Owner along with the transfer of the Dwelling Unit, whether or not such transfer is stated in the conveyancing instrument. The Co-Owners shall elect a Board of Directors of the Association per the By-Laws, and may take any other actions with respect to control of the Regime provided for by this Declaration, the By-Laws, or the Act. The Board of Directors shall be the governing body of the Association, representing all of the Co-Owners in providing for the management, maintenance, repair, replacement and upkeep of the Property.

B. Recreational Facilities. The outdoor Swimming Pool and Clubhouse (which is on the Amenity/Parking level of the first floor of Building Six), and the Exercise Area and the office/storage area (which are on Lower Level of Building Six) all as defined and recorded in Marion County, State of Indiana on March 25, 2005, under Instrument #2005-0045792 and August 29, 2013, under Instrument

#A2013-105821, shall be General Common Areas, and subject to all of the terms and provisions of this Declaration. All Co-owners shall have equal rights and access to use these common facilities, within the rules and regulations set by the Board of Directors, and the expenses related to the Swimming Pool, Clubhouse, the office/storage area and Exercise Area shall be Common Expenses of the Association.

Section 9. Encroachments and Easements for Common Areas. If, by reason of the location, construction, settling, or shifting of a Dwelling Unit, a Common Area now encroaches or shall hereafter encroach upon any Dwelling 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. Each Co-Owner shall have an easement in common with each other Co-Owner to use all General Common Areas, wherever located.

Section 10. Easement for Utilities and Public and Quasi-Public Vehicles. All public and quasi-public vehicles, including, but not limited to, vehicles for police, fire, ambulance, and other emergency vehicles, trash and garbage collection, mail delivery, and other delivery services shall have the right to enter upon the General Common Areas in the performance of their duties. A transferable easement is also reserved by the Board of Directors, to be granted to the appropriate utility companies and their agents, for ingress and egress for purposes of installation, replacement, repairing, and maintaining of utilities, lines, mains, and other necessary facilities and equipment within the Regime, including, but not limited to, water, sewers, gas (if any), telephones, cable television/internet, and electricity (collectively, the "Utilities"); provided, however, nothing herein shall permit the installation of Utilities except as designed and approved by the Board of Directors, nor permit substantial impairment of any Co-Owner's use and enjoyment of his or her Dwelling Unit, and the grantee of any such easement rights shall be responsible for repair or restoration of damage to any Property caused by its activity pursuant to such easement rights. The Association has the right to grant such other easements, licenses, and rights-of-way as may be necessary for the proper operation and maintenance of the Regime. Utilities may be dedicated to the appropriate utility company or governmental body by the Board of Directors.

Section 11. Reservation of Easements and Rights. A parcel of real estate located adjacent to and immediately north of the Tract, a site diagram of which real estate was attached to the Original Declaration as Exhibit D ("Northern Property") at some time in the future may be owned by the original developer or another entity in which some or all of the shareholders of the original developer have an ownership interest (the original developer and such other entity being sometimes here in after

referred to collectively as the "Northern Property Owners"), and the Northern Property Owners may develop such Northern Property to a use different from, and which shall not be a part of, the Regime. At the time of the Original Declaration, the original developer of Spirit Lake reserved for itself and its successors and assigns, and further reserved the right, for a period of ten (10) years from the date of the Original Declaration, to grant to the Northern Property Owners, a perpetual, non-exclusive easement (the "Northern Property Easement") for the use and benefit of the Northern Property and the Northern Property Owners for vehicular and pedestrian traffic to and from the Northern Property and for utility lines and drainage. If applicable, the Northern Property Easement shall entitle the Northern Property Owners and their agents, employees, contractors, guests, licensees, invitees, successors and assigns, to use all roads within the Regime, and all other General Common Areas within the Regime that may be appropriate for such purposes.

If applicable, the easement reserved in this paragraph shall be an easement and covenant running with the land and accruing to the benefit of the Northern Property and the Northern Property Owners.

Section 12 Restrictions on Use. The following restrictions apply to the use and enjoyment of the Dwelling Units, General Common Areas, Limited Areas, and other Property:

- (a) All Dwelling Units shall be used exclusively for residential purposes and occupancy for a single family. The leasing of any Dwelling Unit is subject to the provisions of Section 34 below.
- (b) No additional Buildings shall be constructed within the Regime, other than the Buildings designated in the Declaration as it has been amended or supplemented and as shown on the Plans.
- (c) Nothing shall be done or kept in any Dwelling Unit, the Limited Areas, or in the Common Areas which will cause an increase in the rate of insurance on any Building or the contents thereof. No Co-Owner shall permit anything to be done or kept in his or her Dwelling Unit, the Limited Areas, or in the Common Areas which will result in a cancellation of insurance on any Building or contents thereof, or which would be in violation of any law, ordinance, rule, or regulation of any duly constituted governmental authority or any publicly regulated utility.
- (d) No waste shall be committed in the Dwelling Units, General Common Areas or Limited Areas.

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- (e) No Co-Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a Building which are visible from the outside, or on or upon any balcony or patio, and no sign, awning, canopy, shutter, radio or television antenna, or other attachment shall be affixed to or placed upon the exterior walls or roof or any other part of the Building, without the prior written consent of the Board of Directors.
- (f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or in the Common Areas or Limited Areas or on the Spirit Lake property, except that dogs, cats or customary household pets may be kept in a Dwelling Unit subject to these restrictions and to rules and regulations adopted, amended or repealed by the Board of Directors; provided that such pet is not kept, bred or, maintained for any commercial purpose, and does not create a nuisance. No more than two dogs shall be permitted per Dwelling Unit, so long as such dogs are less than 20 inches in height at the shoulder at maturity and of gentle disposition. The foregoing height limitation shall not apply to service dogs such as seeing-eye or hearing-ear dogs. No more than two cats shall be permitted per Dwelling Unit. Other customary household pets such as goldfish, tropical fish, canaries and parakeets may be kept in a Dwelling Unit so long as they are reasonable in number. All pets (including cats) shall be taken outdoors only if carried by its owner or under leash or other restraint and while attended by its owner, and an Owner shall be fully liable for any injury or damage to persons or property, including the Common Areas or Limited Areas, caused by his or her pet. The Owner shall be responsible for the cleaning of any Common Area or Limited Areas made dirty by his or her pet's excrement, and shall be fully liable for the expenses of any cleaning not performed by the Owner. The tethering of pets in any area outside the Owner's home does not constitute "attended." The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time including, but not limited to, a requirement that any Owner desiring to bring a pet on the Spirit Lake property shall deposit with the Association a security deposit in an amount to be determined by the Board of Directors to cover any damage that may be caused by such pet to the Common Areas or the Limited Areas. Any such security deposit shall be returned to the Owner when the pet is permanently removed from Spirit Lake, except to the extent said deposit has been used to repair damage caused by such pet. Any requirement for such security deposit shall not be deemed to release or in any way limit an

Owner's responsibility and liability for injury or damage caused by his or her pets. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from Spirit Lake upon ten (10) days' written notice from the Board to the respective Owner. The appropriate governmental authorities shall have an easement across the Spirit Lake property to enforce local animal control laws and ordinances.

In addition to the above, in no event will any dog whose breed is known for its viciousness or ill temper be permitted anywhere within Spirit Lake, including but not limited to the American Staffordshire Terrier (commonly known as a Pit Bull), the Doberman Pinscher, the Rottweiler, and the Chow. This prohibition against such breeds shall be effective on the date of filing of this provision with the Marion County Recorder. Any dog within Spirit Lake prior to the effective date of the above restrictions which satisfied the then-existing restrictions for pets shall be permitted to remain on the property. However, any dog brought into Spirit Lake hereafter must comply with the above conditions.

The above restrictions shall be effective on the date of filing with the Marion County Recorder. Any animals kept within the Spirit Lake property prior to the effective date of the above restrictions which satisfied the then-existing restrictions for pets shall be permitted to remain on the Property. However, any animals brought into Spirit Lake hereafter must comply with the above conditions.

- (g) Nothing shall be done or permitted in any Dwelling Unit which will impair the structural integrity of any Building or which would structurally change any Building, except as otherwise expressly provided in the Declaration or the By-Laws; nor shall any Dwelling Unit be used in any manner which causes or threatens injury to the reputation of the Regime or in the determination of the Board of Directors to cause nuisance, annoyance, inconvenience, or damage to other Co-Owners or tenants of any Building, including, without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, T-V, loud speakers, electrical equipment, amplifiers, or other equipment or machines.
- (h) No clothes, flags, sheets, blankets, rugs, laundry, or other similar objects or materials shall be hung out or exposed on any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris, and other unsightly material by the Co-Owners.

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- (i) No industry, trade, or other commercial or organized religious activity, educational or other use inconsistent with residential zoning, whether designed for profit, altruism or otherwise, shall be conducted, practiced, or permitted on the Property. However, an Owner may maintain an office or home business in the Dwelling Unit if: (1) such office or business generates no significant number of visits or unreasonable parking usage (both as determined by the Board of Directors) 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 Unit; (3) there are no employees or independent contractors within the 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; (5) the Owner complies with all provisions of the Marion County/City of Indianapolis Dwelling District Ordinances, including the "home occupations ordinance"; and (6) all other provisions of this Declaration and the By-Laws, 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.
 - (j) No "For Sale", "For Rent" or "For Lease" signs, nor any window or other exterior advertising display of any kind shall be maintained or permitted on any part of the Property, without the prior consent of the Board of Directors or unless in compliance with rules adopted by the Board.
 - (k) All Co-Owners and members of their families, their guests, or invitees, all lawful occupants of any Dwelling Unit and all other persons entitled to use the same and to use and enjoy the Common Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be issued in writing by the Board of Directors governing the operation, use, and enjoyment of the Common Areas.
 - (l) No boats, campers, trailers of any kind, buses, mobile homes, trucks, motorcycles, mini-bikes, or any other unconventional vehicles, of any description, shall be permitted, parked, or stored anywhere within the Property, except that any such vehicles may be parked or stored completely enclosed within a Garage (so long as it fits in the Garage and is parked in a space designated for such Co-Owner and fits entirely within such space allowing sufficient side clearance for any other spaces adjacent to such space to enable the Co-Owners of such adjacent spaces

to access any vehicles parked in such adjacent spaces, or except as may be authorized in writing by the Board of Directors).

- (m) No Co-Owner shall be allowed to plant trees, landscape, or to do any gardening in any of the Common Areas, except with the written consent of the Board of Directors.
- (n) All trash or refuse shall be stored in appropriate containers inside the Dwelling Unit (including garage) or designated trash receptacles, and such areas shall be kept accessible for the regular trash collection system established by the Board of Directors, which system shall consist of a trash chute connecting all floors in the Building on which Dwelling Units are located with a central trash room on the first floor; all trash shall be properly bagged and deposited in such trash chute, except where any bagged trash is too large for such trash chute, in which event each Co-Owner shall carry such over-sized bagged trash to the central trash room and deposit the same in the trash receptacle located in the central trash room.
- (o) No Co-Owner shall install or maintain any interior or exterior window decor visible from outside the Dwelling Unit, other than interior window coverings in accordance with standard window treatments approved by the Board of Directors and having a white back lining.
- (p) No Co-Owner shall cause or permit speakers or sound emitting devices to be placed or utilized within the walls, ceilings, or floorings of the Dwelling Units, General Common Areas or Limited Common Areas which will cause or create a nuisance or unreasonable disturbance, without prior written consent of the Board of Directors.
- (q) If allowed at all, the use and storage of propane gas grills on the lake-side terraces (only) shall be in conformity with all applicable laws and ordinances, as well as any rules and regulations adopted by the Board of Directors.

Section 13. Maintenance, Decoration, Repairs and Replacements

- (a) Common Areas. The Association will be responsible for the maintenance, repair, decoration, restoration, and replacement of the Common Areas. Maintenance, decoration, repairs, and replacements of the Common Areas shall be furnished by the Association and the cost thereof shall be part of the Common Expenses. The Association may

delegate such duties to a Managing Agent and may enter into a Management Contract for such purpose. The Board of Directors has the right to adopt such rules and regulations concerning the maintenance, repairs, use and enjoyment of the Common Areas as it deems appropriate, including the appointment of committees to oversee the same. The Board of Directors shall have the exclusive right to determine the outside decor of each Dwelling Unit, including without limitation the color and type of paint, standard window treatments and all other decor appurtenant to the exterior of each individual Dwelling Unit.

- (b) Dwelling Units. Each Co-Owner shall control and have the right to determine the interior decor of his or her Dwelling Unit, but this shall not include the right to make structural changes to the Dwelling Unit, nor the right to use interior decor which in the discretion of the Board of Directors adversely affects the external appearance of the Dwelling Unit. No act or omission which constitutes waste shall be committed or suffered in or upon any Dwelling Unit, the General Common Areas, or Limited Areas. Each Co-Owner shall maintain and repair at his or her sole cost and expense all fixtures, appliances, equipment, and other improvements constituting a part of his or her Dwelling Unit under Sections 2 and 3 hereinabove, and each Co-Owner shall promptly repair any condition or defect existing or occurring in his or her Dwelling Unit which, if not repaired, might adversely affect any Dwelling Unit, General Common Area or Limited Area. The Board of Directors and the Managing Agent shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency in which case no notice shall be required) to enter into the Dwelling Units and the Common Areas adjacent to each Dwelling Unit to replace, repair, and maintain such Common Areas. In the event that any Co-Owner fails or is unable to maintain or repair any condition or defect for which he or she is responsible, the Board of Directors shall have the right to enter such Co-Owner's Dwelling Unit to remedy or repair such condition or defect, upon 10 days' prior written notice to such Co-Owner (immediately without notice or with such notice as practicable in case of emergency or where the Board of Directors or the Managing Agent have a reasonable basis for believing that such condition or defect has caused or threatens to cause immediate and substantial harm to any other Dwelling Units or the Common Areas or to any person or to any property outside that Co-Owner's Dwelling Unit), and any costs or expenses incurred in connection therewith (including management and attorneys' fees) shall be payable by such Co-Owner upon demand by the

Board of Directors and the Managing Agent. Nothing herein contained shall be construed to represent a contractual liability to any Co-Owner on the part of the Association, or the Board of Directors for maintenance, repair, or replacement of any Dwelling Unit, General Common Areas, or Limited Areas, and the liability of the Association, the Board of Directors or the Managing Agent in this regard shall be limited to damages resulting from intentional misconduct, unless otherwise provided in the management contract in the case of the Managing Agent.

- (c) Lake-Side Terraces. The lake-side terraces are part of the Limited Areas of Spirit Lake. Notwithstanding anything in this Declaration to the contrary, for such lake-side terraces, the individual Owner shall be responsible for:
- (i) Painting of the railings.
 - (ii) Maintenance of the terrace floor surface against water ingress. If water enters and damages the Dwelling Unit or terrace below, or any property of the Owner of such below Dwelling Unit or terrace, or any other Common Area or Limited Area, such Owner shall be responsible for all damages incurred.
 - (iii) Maintain and repair the ceilings of the terrace.
 - (iv) Maintain and repair the terrace walls.
 - (v) Maintain and repair the storage room and fire exit door, where applicable.
 - (vi) All water piping and water heaters within the terrace.
 - (vii) If a terrace has been enclosed, such Owner shall be responsible for the full maintenance, repair and replacement of the enclosure and everything contained within the terrace.
- (d) Owner Responsibilities. Owners are responsible for paying for the repair of damage to other Co-Owners' property or the Common Areas or Limited Areas caused by the action, omission or any other condition originating within the Owner's Dwelling Unit, regardless of negligence. For example, if an Owner's water heater bursts and damages his or her

downstairs neighbor's Unit or property, the Owner of the Unit that had the burst water heater shall be responsible for the costs of repairing such damage, regardless of whether the Owner knew or should have known of any defect in the water heater.

Section 14. Alterations, Additions, and Improvements. No Co-Owner shall make any alterations, additions, or improvements to the Common Areas without the prior written approval of the Board of Directors, nor shall any Co-Owner make any alterations to his or her respective Dwelling Unit which would impair the safety thereof, or which would substantially alter or adversely affect any structural portion of any Dwelling Unit or impair any easement or hereditament, without the prior written approval of the Board of Directors and a two-thirds (2/3) majority Vote of all Co-Owners. No Co-Owner may alter, remove or relocate any walls within any Dwelling Unit, and no Co-Owner may construct any walls on any patios, balconies or porches constituting Limited Areas. Any alteration, addition, or improvement made by any Co-Owner wholly or in part outside his or her respective Dwelling Unit with the consent of the Board of Directors shall remain the property of that Co-Owner and shall be owned, maintained, and insured by that Co-Owner as part of his or her Dwelling Unit and deemed a part thereof for purposes of this Declaration. Upon the sale of his or her Dwelling Unit, such alterations, additions, or improvements shall be transferred along with such Dwelling Unit, and the purchaser shall be deemed to assume the prior Co-Owner's maintenance and insurance obligations. If, in the reasonable discretion of the Board of Directors, such alteration, addition, or improvement is not being properly maintained, the Board of Directors may perform any necessary maintenance work if such condition is not corrected by such Co-Owner within ten (10) days after written notice of such determination by the Board of Directors (immediately and without notice or with such notice as is practicable in case of emergency or where the Board of Directors or the Managing Agent have a reasonable basis for believing that such condition or defect has caused or threatens to cause immediate and substantial harm to any other Dwelling Units or the Common Areas or to any person or to any property outside that Co-Owner's Dwelling Unit), and such Co-Owner shall be liable for all costs incurred in connection with such maintenance, including attorneys' fees incurred for collection of the same.

Section 15 Formula for Percentage Interest. The Co-Owner of each Dwelling Unit shall have a Percentage Interest appurtenant to his or her Dwelling Unit which is equal to the Percentage Interest held by all other such Co-Owners, and there will be no differentiation based upon the size or value of the Dwelling Units. The Percentage Interest appurtenant to each Dwelling Unit shall be: One divided by the total number of Dwelling Units in Spirit Lake (herein called the

"Formula"). The total shares shall at all times equal 100%, or as is close to 100% as is mathematically possible, having regard to the equality of shares allocable to each Dwelling Unit and the rounding thereof.

Section 16. Assessments.

A. Liability for Assessments. Subject to the limitations in this Section, each Dwelling Unit and the Percentage Interest appurtenant thereto shall be subject to the Regular Assessments and Special Assessments for Common Expenses (collectively, "Assessments") as provided in this Section 16 and defined in the By-Laws, and all such Assessments shall constitute liens upon each Dwelling Unit and appurtenant Percentage Interest as of the date of determination of each such Assessment by the Association, as further provided and described in the By-Laws. The date(s) on which Assessments are due and payable shall be as specified in this Declaration or the By-Laws, or if not so specified, then as determined by the Board of Directors. In addition, each Co-Owner shall be personally liable for the amounts of any and all Assessments which become due and payable during the period in which such Co-Owner holds title to a Dwelling Unit. No Co-Owner shall be personally liable for any Assessments which first became due and payable prior to the time such Co-Owner took title to a Dwelling Unit unless he or she expressly assumes such liability, except as may otherwise be required by the Act. However, a conveyance by a Co-Owner of his or her Dwelling Unit shall not operate to release or limit the liability of a Co-Owner for Assessments becoming due and payable while such Co-Owner holds title to a Dwelling Unit. The lien of any Assessment shall be subordinate to any first mortgage on any Dwelling Unit which was recorded before the time when said Assessment first became delinquent.

B. Collection of Assessments. Each Assessment shall be due and payable in monthly installments on the first day of each month. Any Assessment which is not paid in full by that date shall be deemed delinquent without further notice or demand to the defaulting Co-Owner. If any Owner shall fail, refuse or neglect to make any payment of any Regular or Special Assessments when due, the lien for such assessment on the Owner's Unit may be foreclosed by the Board for and on behalf of the Association as provided by law. Upon the failure of an Owner to make payments of any Regular or Special Assessments within fifteen (15) days after such are due, the Board, in its discretion, may:

- (1) impose a monthly late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board;

(2) 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;

(3) suspend such Owner's right to use the recreational facilities within Spirit Lake; and

(4) suspend such Owner's right to vote.

In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Unit, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Unit and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Regular or Special Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Regular or Special Assessments without foreclosing or waiving the lien securing the same. In connection with any effort to collect or in any action to recover a Regular or Special Assessment, regardless of whether litigation is initiated, the Board, for and on behalf of the Association, shall be entitled to recover from the Owner of the Unit, not only the delinquent Regular or Special Assessments, but also all late charges imposed, all court costs, all costs of collection, charges, fees and expenses incurred by the Association with respect to such collection effort or action, including but not limited to charges, costs, fees or other expenses incurred by the Association to the Managing Agent for administering, monitoring or processing delinquent Owners' accounts, and reasonable attorney's fees. The Association need not accept any tender of a partial payment of an Assessment, or any installment of an Assessment, and all costs, expenses, charges and attorneys fees attributable thereto, and any acceptance of any such tender shall not be deemed to be a waiver of the Association's right to demand and receive full payments thereafter. In addition, the Board shall have the power to adopt by Board resolution additional rules and regulations or a delinquency policy resolution that details the procedures that would be followed for any Owner who is delinquent on the payment of any Assessments or any other charges owed to the Association.

The Association shall, upon demand, and for a reasonable charge not to exceed \$100, furnish a certificate signed by an officer or agent of the Association setting forth whether the assessments on a specified Unit have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Any such lien against a Dwelling Unit and its Percentage Interest shall be subordinate to any first Mortgage covering such Dwelling Unit and its Percentage Interest if and to the extent such Mortgage was recorded prior to the Delinquency Date of such Assessment.

Section 17. Insurance.

A. The Association shall obtain All Other Perils insurance (also known as fire and extended coverage insurance) insuring all Dwelling Units in the Regime (except as limited by Section 18 below) and all Common Areas in the Regime, in an amount consonant with the replacement cost thereof from time to time. Such insurance shall be in the form of a master casualty policy for the entire Regime and shall contain the following endorsements if and to the extent obtainable at a reasonable cost in the State of Indiana: (i) replacement cost; (ii) inflation guard; (iii) demolition cost, contingent liability, and increased construction cost in connection with building code requirements; (iv) steam boiler coverage (if applicable); and (v) all matters customarily covered under a "special condominium endorsement." All such policies shall 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 Co-Owners do not elect to restore pursuant to Section 21. In the event that all or any portion of the Regime shall be determined to be in a flood hazard zone, the Association shall also obtain a master policy of flood insurance on the Dwelling Units, Buildings, and Common Areas within such flood hazard zone, in an amount at least equal to the lesser of 100% of the current replacement cost of all insurable property within the flood hazard area, or the maximum coverage available for such property under the National Flood Insurance Program. The amount of coverage shall be increased from time to time to cover all additions to the Regime, and all such policies shall meet the requirements of subsection E. of this Section. The proceeds shall be payable to the Association, shall hold and apply such proceeds as trustee for the individual Co-Owners and Mortgagees, as their respective interests shall appear. The proceeds shall be used or disbursed only in accordance with the provisions of this Section 17 and of Section 21 of this Declaration, as applicable, and any surety bond or bonds obtained by the Board of Directors covering the officers of the Regime as provided in subsection D of this Section shall specifically include protections for any insurance proceeds so received.

B. The Association also shall obtain Commercial General Liability insurance and such other liability coverages and limits as the Board of Directors deems appropriate; provided, however, that the Commercial General Liability, separately or in combination with a Commercial Umbrella liability policy, shall

have limits of not less than Four Million Dollars (\$4,000,000.00) Per Occurrence / Four Million Dollars (\$4,000,000.00) General Aggregate; and provided further, that all such policies shall meet the requirements of Subsection E of this Section 17. Such insurance shall inure to the benefit of each individual Co-Owner, the Association, the Board of Directors, and any Managing Agent or company acting on behalf of the Association.

C. Each Co-Owner shall have the right to purchase any additional insurance as he or she may deem necessary, and each Co-Owner shall be solely responsible for loss of or damage to the contents of his or her own Dwelling Unit, however caused, including all floor and wall coverings, appliances, fixtures, and betterments installed by the Co-Owner or any previous Co-Owner, and for loss of or damage to any of his or her personal property, whether or not stored or kept in his or her own Dwelling Unit. Each Co-Owner shall be solely responsible for obtaining his or her own insurance to cover any such loss and risk.

D. The Association shall obtain a fidelity bond indemnifying the Association, and the Co-Owners for loss of funds resulting from fraudulent or dishonest acts of any employee, or officer or member of the Board of Directors of the Association or of any other person handling the funds of the Association or the Co-Owners, which bond shall be written in an amount equal to at least One Hundred Fifty Percent (150%) of the annual Common Expenses.

E. All policies of insurance of the character described in subsections A and B of this Section 17 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, the Board of Directors, any Managing Agent, their respective employees and agents, or the Co-Owners, and shall further contain a clause whereby the insurer waives any defenses based on acts of individual Co-Owners whose interests are insured thereunder, and shall cover claims of one or more insured parties against other insured parties. All such policies shall name the Association, for the use and benefit of the Co-Owners, as the insured; shall provide that the coverage thereunder is primary even if a Co-Owner has other insurance covering the same loss; shall show the Association or insurance trustee, in trust for each Co-Owner and Mortgagee, as the party to which proceeds shall be payable; shall contain a standard mortgage clause and name FNMA and all Mortgagees as mortgagee; and shall prohibit any cancellation or substantial modification to coverage without at least ten (10) day's prior written notice to the Association and to the Mortgagees. All policies of insurance maintained by the Association pursuant to this Section 17 shall provide such coverages and be in such amounts as may be required from time to time by FNMA, FHLMC, FHA or VA. Upon obtaining or changing any policies of insurance

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authorized or required by this Section 17, notice of the same shall be sent by the Secretary of the Association to each Co-Owner and each Mortgagee whose interest may be affected thereby.

Section 18. Mandatory Dwelling Unit Owner's Insurance. All Dwelling Unit Owners are required to maintain, at their own expense, the appropriate form of condominium insurance (typically referred to as an HO-6 policy) to cover their appliances, wall coverings, floor coverings, personal property, betterments and improvements, comprehensive personal liability, Association deductible reimbursement (see Section 19 below), and loss assessment exposures. The Owner's policy must also cover compensatory damages to another Dwelling Unit caused by the negligence of the Owner or his or her guests, residents, or invitees, as well as any action, omission or other condition originating from the Unit, regardless of any negligence (see Section 13(d) above). Each Owner's policy must include coverage for, but not be limited to, appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security, and housekeeping, even if any of said appliances are built-in. All coverage should be on a replacement cost basis.

Each Owner may, at his or her own expense, purchase such additional insurance as he or she may deem necessary. Each Owner shall be solely responsible for loss or damage to the contents of his or her Dwelling Unit, however caused, and to his or her personal property stored elsewhere on the Spirit Lake property, and for his or her personal liability, but all such insurance shall contain the same provisions for waiver of subrogation as referred to in Section 17 above relating to the master casualty insurance policy to be obtained by the Association. Each Owner may obtain additional casualty insurance at his or her own expense upon his or her Dwelling Unit, but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Association.

Section 19. Liability For Association's Deductible.

All insurance claims covered by the Association's master casualty insurance policy carry a deductible in an amount determined by the Board. Notwithstanding anything else contained in this Declaration or the By-Laws, liability for the amount of damage within the limits of any applicable insurance deductible on a policy of insurance issued to the Association shall be in the following manner: The Board of Directors of the Association may, in the case of a claim for damage to a Dwelling Unit or the Common Areas, (i) pay the deductible amount as a Common Expense, (ii) after notice and an opportunity for a hearing, assess the deductible amount against the Unit Owners who caused the damage or from whose units the damage or cause of loss originated, or (iii) require the Owners of the Units affected to pay the

deductible amount. In reaching its decision, the Board may consider the following factors:

A. Whether the damage resulted from a negligent or intentional act or omission by the Owner, that Owner's tenant, family, servant, employee, agent, visitor or licensee of that Owner or tenant, or from the failure to maintain any portion of the Owner's property, including any appliance, equipment, or fixture in the Owner's Unit.

B. Whether the damage involved was limited solely to one Owner's Dwelling Unit or the Limited Areas assigned to that Owner's Dwelling Unit.

C. Whether the damage involved both the General Common Areas and/or one or more Dwelling Units or the Limited Areas assigned to a Dwelling Unit or Units.

All decisions and determinations to be made under the above shall be by the Association's Board of Directors, and the same shall be final and binding as between the Association and the affected Owners.

Each Owner is responsible for verifying with his or her own insurance agent that the Owner's share of any such Association deductible is covered under his or her own Condominium Unit Owner's insurance policy (assuming the deductible is not assessed as part of the Common Expenses allocable to all Owners). The Owner should pay particular attention to the portion of his or her HO-6 policy which is typically called "Coverage A--Building Property" to ensure that there is sufficient coverage for the Owner's possible share of the Association's deductible. Any portion of such a deductible which has been assessed to a particular Owner's account will be subject to the same collection procedures as provided in this Declaration and the By-Laws for Assessments.

Section 20. Condemnation. In the event that all or any part of the Regime shall be taken or condemned by any competent authority, or if any condemnation proceeding shall be instituted with respect to all or any part of the Regime, the Association shall have the right to appear and defend in such proceedings on behalf of the Co-Owners affected thereby and to prosecute on behalf of any such Co-Owners any action or proceeding, at law or in equity, as it may deem appropriate for the adequate protection and compensation of all Co-Owners affected by any confiscatory act of any public body. The proceeds obtained by the Association as a result of any such action or proceeding shall be received by the Association and shall be applied by the Association as follows: (a) the portion of such award which is allocated by the court making such award, or if not so allocated, then as

determined by the Board of Directors at a special meeting called for the purpose of making such allocation, to the Buildings or Dwelling Units taken (such portion hereinafter called the "Building Award"), shall be distributed among the Co-Owners whose Dwelling Units were taken in proportion to the relative fair market values of the Dwelling Units so taken as of the date of such taking, or if such values cannot be determined, then equally among such Co-Owners; (b) the balance of such award after payment of the Building Award shall be paid, first, to reimburse the Association for its costs and expenses in obtaining such award, and the balance, if any, shall be paid to each Co-Owner in the Regime in proportion to his or her Percentage Interest. No amounts or damages shall be paid by the Association to any Co-Owner for any partial taking, partial loss of use, or impedance of access as to any Dwelling Unit, except to the extent that the amount of any such award is specifically determined by the court making such award or by a vote of the Board of Directors. Nothing in this Section 20 shall be construed to prevent any Co-Owner affected by any condemnation or confiscatory action of any public body from participating in any condemnation proceedings or from any action for any recovery for any confiscation of his or her Property, but such Co-Owner shall not be entitled to distribution out of the proceeds received by the Association to the extent that such Co-Owner recovers sums or compensation for the same or similar damages as are the basis of the award to the Association. Nothing herein contained shall be construed to require payment of proceeds to a Co-Owner in derogation of any rights such Co-Owner's Mortgagee may have to such proceeds.

Section 21. Casualty and Restoration. In the event of any damage to or destruction of the Property by fire or other casualty, the following provisions shall be applicable:

- (a) Partial Destruction. In the event of less than complete destruction (as defined in subsection (b) herein below) of the Dwelling Units in all Buildings, all Dwelling Units and other Property shall be promptly repaired and restored. The proceeds of the insurance shall be applied to the cost of such repair and restoration. If the insurance proceeds are not adequate to cover the cost of reconstruction or in the event there are no proceeds, the amounts needed to complete the repair and restoration beyond available insurance proceeds shall be paid by all Co-Owners in equal amounts as a Common Expense. The application and use of such proceeds shall be determined by the Board of Directors of the Association acting as trustee under Section 17.A., or by any Mortgagee electing to act as trustee in place of the Association, and when so determined in good faith shall be binding upon all Co-Owners and Mortgagees.

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- (b) Restoration in the Event of Complete Destruction. In the event that two-thirds or more of the Dwelling Units in the Regime are damaged or destroyed by fire or other casualty, a special meeting of the Association shall be called. If, at that meeting, a determination is made, by approval of at least a two-thirds (2/3) majority of the Votes of all Co-Owners in the Regime, that the destruction is so extensive as to be a complete destruction then the Buildings and other Property in the Regime shall not be repaired or restored, and the proceeds of insurance and the Property in the Regime shall be dealt with and disposed of in accordance with Sections 19 and 21 of the Act, as either may be amended from time to time, or in accordance with any substitute provisions governing such matters as may be enacted subsequent to the date of this Declaration, pursuant to a two-thirds (2/3) majority of the Votes of all Co-Owners in the Regime with distributions of proceeds to be made to the Co-Owners in proportion to the relative fair market values of their respective Dwelling Units as of the date of such destruction, if and to the extent values can be determined by the Board of Directors and if and to the extent such distribution is permitted by applicable law but otherwise in equal shares.
- (c) Meaning of Restoration. Restoration, for purposes of Subparagraphs (a) and (b) above, shall mean construction or rebuilding of the Dwelling Units and other Property to substantially the same condition as they existed immediately prior to the destruction and with a similar quality of materials and workmanship and similar type of design and architecture, but excluding all improvements and property added to or kept in or about such Dwelling Units by any Co-Owner.
- (d) Disbursement of Proceeds. In the event restoration of Dwelling Units is necessary, and notwithstanding any provision of this Declaration to the contrary, the insurance funds for such restoration shall be disbursed by any Mortgagee (if it elects to do so) which holds mortgages on 51 % or more of the number of Dwelling Units that need to be restored; otherwise, the insurance funds shall be disbursed by the Association. Such distribution and payment of funds shall be in the manner and in accordance with the procedure normally used when disbursing funds for initial construction. Each insurer shall be notified of this provision by the Association and each policy of insurance shall comply herewith. Nothing contained elsewhere in this Declaration shall be construed to

require payment of any proceeds to a Co-Owner in derogation of any rights such Co-Owner's Mortgagee may have to such proceeds.

Section 22. Negligence. Each Co-Owner shall be liable for the expense of any maintenance, repair, or replacement of any of the Property which becomes necessary by reason of his or her negligence or that of any member of his or her family or his or her or their guests, employees, agents, or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. A Co-Owner shall pay the amount of any increase in insurance premiums occasioned by his or her use, misuse, occupancy, or abandonment of his or her Dwelling Unit or its appurtenances or of the Common Areas.

If as a result of the use or operation of his or her Dwelling Unit, or caused by his or her own conduct or the conduct of a member of the family, a household pet, or guest or other occupant or visitor of such Unit Owner, and regardless of negligence originating from the Dwelling Unit, damage shall be caused to the Common Areas, Limited Areas, or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

Section 23 Real Estate Taxes. Real estate taxes are to be separately taxed to each Dwelling Unit and the Percentage Interest connected therewith, as provided in the Act. In the event that for any year real estate taxes are not separately assessed and taxed to each Dwelling Unit, but are assessed and taxed on the Real Estate as a whole, then each Co-Owner shall pay his or her proportionate share of the real estate taxes. Each Co-Owner's proportionate share will be equal to the Percentage Interest then appurtenant to the Co-Owner's Dwelling Unit due and payable in such year.

Section 24 Utilities. Each Co-Owner shall pay for those utilities provided to his or her Dwelling Unit which are separately billed or metered for his or her Dwelling Unit. Utilities which are not separately billed or metered shall be treated and paid as part of the Common Expenses.

Section 25 Amendment of Declaration. Except as otherwise provided in this Declaration, this Declaration may be amended 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, including any annual meeting.

(b) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or by the Co-Owners of not less than a majority of the Vote of all the Co-Owners.

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

(d) Adoption. Except as provided elsewhere in this Section 25, any proposed amendment to this Declaration must be approved by a vote of not less than a majority of the Vote of all of the Co-Owners. In the event any Dwelling Unit is subject to a mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as a Co-Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions of the By-Laws.

(e) Amendments. No amendment to this Declaration shall be adopted which changes:

(1) The Percentage Interest with respect to any Dwelling Unit or the share of a Co-Owner's liability for Common Expenses all the allocation of the vote or the amendment of this Section 25, without the approval of one hundred percent (100%) of the Vote all of the Co-Owners and the approval of all Mortgagees having mortgages on any Dwelling Unit(s) in the Regime;

(2) The provisions of Section 21 of this Declaration with respect to reconstruction or repair in the event of fire or casualty, without the approval of two-thirds (2/3) majority of the Vote of all of the Co-Owners and the unanimous approval of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the By-Laws;

(3) Any provision of the Declaration or By-Laws which would be deemed by the Board of Directors to be of a material nature by the Federal National Mortgage Association ("FNMA") under FNMA's current Lending Guide or any subsequent, relevant guidelines which FNMA may issue, or which would be deemed by the Board of Directors to be of a material nature under the regulations or requirements of the Veterans Administration,

without the approval of two-thirds (2/3) of the Vote of all of the Co-Owners and the approval of all Mortgagees having mortgages on any Dwelling Unit(s) in the Regime whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of the By-Laws.

- (f) Mortgagees. Any Mortgagee which has been duly notified of the nature of any proposed amendment shall be deemed to have approved the same if said Mortgagee or representative thereof fails to appear at the meeting in which such amendment is to be considered (if proper notice of such meeting was timely given to such Mortgagee). In the event that a proposed amendment is one permitted by this Section and is deemed by the Board of Directors to be one which is not of a material nature in any respect, the Board of Directors shall notify all Mortgagees whose interests have been made known to the Board of Directors of the nature of such proposed amendment, and such amendment shall be conclusively deemed not material if no Mortgagee so notified objects to such proposed amendment within thirty (30) days of the date such notices are mailed and if such notice advises the Mortgagees of the time limitation contained in this sentence.
- (g) Execution and Recording. Each amendment to the Declaration shall be executed by the President or Vice President and Secretary or Assistant Secretary of the Association. All amendments shall be recorded in the Office of the Recorder of Marion County, Indiana, and no amendment shall become effective until so recorded.

Section 26. Amendments for Mortgage Purchaser. In the event that FNMA, FHLMC, FHA, VA, or other nationally recognized purchaser, guarantor, or insurer of a mortgage of any property in this Regime should impose any requirements pertaining to the attributes of the Regime or the provisions of this Declaration or the By-Laws, for purposes of qualifying for or agreeing to the purchasing, insuring, or guarantying of any such mortgage, the Board of Directors may fully satisfy such requirements, and shall have the right to amend this Declaration in accordance therewith, without the approval or consent of any Co-Owner or Mortgagee.

Section 27. Enforcement of Covenants and Restrictions. The various covenants and restrictions applicable to the use and enjoyment of the Dwelling Units, as set forth in this Declaration, are for the mutual benefit and protection of the present and future Co-Owners and shall run with the land and shall be binding upon and inure to the benefit of every Co-Owner the Co-Owners, or the Board of

Directors on behalf of the Association, and their respective heirs, successors and assigns. Available relief in any action brought to enforce this Declaration shall include damages and injunctive relief against any violation or attempted violation of these provisions, and the recovery of any damages, costs, interest on expenses incurred, and attorneys' fees incurred by any party successfully enforcing this Declaration against any other party, but there shall be no right of reversion or forfeiture of title resulting from any violation. In addition, the Board of Directors is hereby authorized, during the period of any default or delinquency, to take actions to enforce compliance with such provisions, rules, regulations or decisions, including, without limitation: (i) the revocation of a defaulting Co-Owner's right to use General Common Areas designed for recreational purposes, and (ii) the suspension of a defaulting Co-Owner's voting privileges; provided, however, that no such enforcement action shall affect the rights of a Mortgagee hereunder.

No delay or failure on the part of any Owner or the Association to invoke any available remedy with respect to any violation or threatened violation of any provisions in this Declaration, the By-Laws, or of any rules and regulations promulgated by the Board of Directors, shall constitute a waiver by that party of, or an estoppel of any party to assert, any right available to it upon the occurrence, recurrence or continuance of such violation.

Section 28. Costs and Attorneys' Fees. In a proceeding arising because of an alleged failure of a Co-Owner to make any required payments 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 party initiating such proceeding shall be entitled to recover its reasonable attorneys' fees incurred in connection with such proceeding, if it is found or agreed in such proceeding that a failure to make payment as required hereby or a violation of this Declaration, the Act, the By-Laws, or the rules and regulations adopted pursuant there to, as each may be amended from time to time, did occur.

Section 29. Acceptance and Ratification. All present and future Co-Owners, Mortgagees, tenants, and occupants of the Dwelling Units shall be subject to and shall comply with the provisions of this Declaration, the Act, the By-Laws, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Dwelling Unit shall constitute an agreement that the provisions of this Declaration, the Amendments, the Act, the By-Laws, and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by such Co-Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall bind any person having at any time any

interest or estate in a Dwelling Unit or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. Each Co-Owner agrees to execute and deliver such other documents, if any, as may be necessary or desirable to comply with the Act as it may be amended from time to time. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Dwelling Unit or Dwelling Units or any part of the Property in any manner shall be subject to the Declaration, the Act, the By-Laws, and the rules and regulations applicable there to, as each may be amended from time to time.

Section 30. Waiver. No Co-Owner may exempt himself from liability for his or her contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by abandonment of his or her Dwelling Unit. The Association does not waive the right to hold a lien on the Dwelling Unit and foreclose same by any failure to take action when any payment of any Assessment is not timely made when due by any Co-Owner.

Section 31. Construction and Severability. This Declaration and the By-Laws are intended to comply with the provisions of the Act, and shall be construed whenever possible to be consistent therewith. The invalidity of any covenant, restriction, condition, limitation, or other provision 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. If any of the options, privileges, covenants, rights, or interests created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or any analogous statutory provisions, (h) the rule restricting restraints or alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the date of the Declaration. In the event of any inconsistency between the Articles of Incorporation of the Association as filed with the Indiana Secretary of State and either this Declaration or the By-Laws, the applicable provision(s) of this Declaration or the By-Laws shall prevail over the Articles of Incorporation.

Section 32. Floor Plans. The Plans pertaining to the Real Estate, as described in Section 1 of this Declaration, are incorporated into this Declaration by reference, and have been recorded contemporaneously with the recording of this Declaration in the Office of the Recorder of Marion County, Indiana, as Instrument No. 2002-0057277, as well as subsequently as the original developer of Spirit Lake added more Buildings and Dwelling Units.

This document is a legal document. It is not to be used for any other purpose. It is not to be used for any other purpose. It is not to be used for any other purpose.

Section 33. Notices. Any notice required or permitted to be sent under this Declaration or the By-Laws shall be sufficient if delivered personally or sent by first class U. S. Mail, postage prepaid, to the address shown on the records of the Association; provided, however, that notices to Mortgagees shall be sent by U. S. Certified Mail, Return Receipt Requested, or by U.S. Registered Mail, and shall not be deemed delivered unless and until actually received by the Mortgagee.

Section 34. Leasing Restrictions.

Subsection 34(a) General Purposes of Leasing Restrictions. The Association's members recognize that an owner-occupant is both psychologically and financially invested in a home to a greater extent than a renter, and thus owner-occupants maintain their property better than renters generally. The Association's members wish to insure that the residents within Spirit Lake share the same proprietary interest in and respect of the Dwelling Units, the Common Areas, and the Limited Areas. They also want to encourage residents to not only maintain property values but also to improve them and recognize that owner occupants have more incentive to do so compared to non-owner occupants. Thus, the provisions of this Section 34, including Subsections 34(a) through 34(k), inclusive, shall be applicable.

Subsection 34(b) Limits of the Number of Leased Units ("Rental Cap"). No more than six (6) of the Units may be leased or rented to non-owner occupants at any given time, except as may be otherwise provided in this Section 34. (The Units described in Subsection 34(c) below shall count towards the six (6) Unit "rental cap"). If at any time such number of Units is leased or rented, an Owner who wants to rent or lease his or her Unit which is not already rented shall be placed upon a waiting list by the President of the Board of Directors. When an existing tenant moves out, the Owner of that Unit shall immediately notify the President of the Board of Directors and Spirit Lake management company of such fact and that Unit cannot be re-rented until all prior Owners on the waiting list, if any, have had a chance to rent their Units. Prior to the execution of any lease, and in addition to the requirements set forth below, the Owner must notify the President of the Board of Directors and the Spirit Lake management company as to that Owner's intent to lease his or her Unit. After receiving such notice, and after the Board of Directors has made its determination, the Spirit Lake management company shall advise the Owner if Units may be leased or whether the maximum number of Units within Spirit Lake is currently being leased. If the maximum number of Units is already being leased, the President of the Board of Directors or the Spirit Lake management company shall also notify the Owner of that Owner's position on the waiting list.

Subsection 34(c) Effective Date of "Rental Cap" on Existing Rentals. The Amendment document that established and added this Section 34 to the Declaration,

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including Subsections 34(a) through 34(k), was recorded in the Office of the Recorder of Marion County on March 10, 2010. Within ten days thereafter, the Board of Directors provided written notice to all Unit Owners setting forth the March 10, 2010 recording date and the then current address of the President of the Board of Directors. The provisions of Subsection 34(b) (the "Rental Cap") shall not apply to the Owner of any Unit in Spirit Lake which, as of March 10, 2010, was then rented or leased by its Owner to a non-owner occupant, so long as the Owner-landlord mailed or otherwise delivered to the President of the Board of Directors (at the address shown in the notice of the recording date), within ninety (90) days after the March 10, 2010 recording date, a copy of each executed lease of such Owner-landlord's Unit (or Units) which was in effect as of March 10, 2010. Such lease copies were allowed to have the rental amount deleted. The Owners of such pre-March 10, 2010 rented Units are not subject to the provisions of Subsection 34(b), but are subject to the remaining provisions of this Section 34. However, when the legal owners of record of any of the pre-March 10, 2010 rented Units sell, transfer or convey such Unit(s) to another Owner after the date of recording of this Amendment, such Unit(s) shall immediately become subject to Subsection 34(b). The failure of any such Owner-landlord of a leased or rented Unit to deliver a copy of such pre-Recording Date lease within said ninety day period to the President of the Board of Directors resulted in said Owner-landlord's Unit being subject to the Rental Cap (from and after the date of expiration of such pre-March 10, 2010 lease). However, in no event shall the Rental Cap apply to any lease executed prior to March 10, 2010, or to any renewals thereof provided for in any such leases, so long as the Unit continues to be occupied by one or more of the non-owner occupants in possession of the Unit as of March 10, 2010. Any Unit that falls under the exception of this Subsection 34(c) shall, nevertheless, be counted as one of the six (6) maximum Units that may be rented at any given time even though such maximum does not apply to restrict the Owner of such pre-March 10, 2010 leased Dwelling Unit.

Subsection 34(d) Hardship Exceptions and Waiver. Notwithstanding Subsection 34(b) above, if an Owner wishes to rent or lease his or her Unit, but the maximum number of Units is currently being leased, the Owner may request the Board of Directors to waive the "rental cap" and approve a proposed lease if the Owner establishes to the Board's satisfaction that the "rental cap" will cause undue hardship. If a majority of the entire Board of Directors approves in writing of the Owner's request, the Board of Directors shall permit the Owner to rent or lease said Unit, subject to any further conditions or limitations imposed by the Board in the Board's discretion, but only if the Owner satisfies all other requirements of the Subsections of this Section 34. Such decision shall be at the sole discretion of the Board. Examples of an undue hardship include:

- 1) death, dissolution or liquidation of an Owner;
- 2) divorce or marriage of an Owner;

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- 3) necessary relocation of the residence of an Owner to a point outside of a fifty (50) mile radius of the perimeter of Spirit Lake due to a change of employment or retirement of at least one (1) of such Owners;
 - 4) necessary relocation of the residence of an Owner due to mental or physical infirmity or disability of at least one (1) of such Owners; and
 - 5) other similar personal hardship circumstances.

Subsection 34(e) General Lease Conditions.

- 1) Prior to the effective date of a lease and the date of occupancy by someone other than the Owner, the Owner of the Unit must pay to the Association a \$2,000 security deposit that will be deposited by the Association into a non-interest bearing account. If an Owner's tenant or other occupant causes damage to the Common Area and fails to repair the same, the Board of Directors may withdraw and apply the security deposit for the Association's use in repairing the damage. If any damage exceeds the balance of the remaining security deposit, the Association shall have the right to demand immediately from the Owner the additional amount necessary for the repairs to be made. If at any time the Association needs to withdraw part or all of the security deposit, the Owner of the applicable leased Unit must immediately replenish the security deposit amount so that it equals \$2,000. At the expiration of the lease, if the Board of Directors determines that the tenant or other occupant has not caused damage, the balance of the security deposit shall be returned to the Owner who paid the security deposit, without interest. For any Owner of a pre-Recording Date rented Unit described above in Subsection 34(c), this provision shall only apply as of the date said Owner enters into a lease for said Unit with a new tenant after the Recording Date.
- 2) All leases must include the provisions set forth in this Subsection 34(e), or have them attached as an exhibit or addendum to the lease. Failure to do so, and/or the failure to comply with all of the provisions of this Subsection 34(e), shall be grounds for the Board of Directors to declare the lease null and void and subject to the Association's remedies described in Subsection 34(i) below.
- 3) All leases, including renewals, shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior written approval of the Board of Directors.
- 4) No portion of any Unit other than the entire Unit shall be leased for any period. No subleasing shall be permitted.
- 5) All leases shall be made expressly subject and subordinate in all respects to the terms of the Declaration and By-Laws, Articles of Incorporation,

and any rules and regulations promulgated by the Board of Directors, all as amended (hereafter, the "Governing Documents"), to the same extent as if the tenant were an Owner and a member of the Association; and shall provide for direct action by the Association and/or any Owner against the tenant with or without the permission or joinder of the Owner of such Unit.

- 6) The Owner shall supply copies of such Governing Documents to the renters prior to the effective date of the lease.
- 7) A copy of each executed lease by an Owner which identifies the tenant (but which may have the rental amount deleted) shall be provided to the Board of Directors or the Spirit Lake management company by the Owner within thirty (30) days after execution.
- 8) The Owner is responsible to assist the renters to gather information about the community and to understand the Governing Documents that have been developed for Spirit Lake.
- 9) The Owner should give copies of the Governing Documents to the renter. By doing this the Owner can act to rectify any problems that may arise between the renter and the Association.
- 10) As part of the regulations of Spirit Lake, Owners should emphasize to renters that only two parking spaces are designated for any Unit owner or renter and only two pets can be living in a Unit and each pet needs to weigh less than 30 pounds.
- 11) Renters need to be notified that the Governing Documents apply for quiet in the evening and that excessive noise coming from any Unit or patio area will not be tolerated. The Governing Documents clearly state that homeowners cannot disturb the "peace and tranquility" of the other homeowners. Renters should know that the Noise Ordinance in the City of Indianapolis applies after 11:00 p.m.
- 12) After a Unit is rented, the Unit Owner must supply the following entities with the names and telephone numbers and, if available, an email address, and emergency contact numbers for the renters to the management company of Spirit Lake, the President of the Board of Directors, and the "mayor" of the building where the homeowner owns his/her Unit.
- 13) The renter has no vote at any of the Association meetings, unless the Owner has given his or her proxy to such renter.
- 14) If the Unit is rented by a management company, then information about that company needs to be provided to the Spirit Lake management company and the President of the Board of Directors so the rental management company can be apprised of the Governing Documents for Spirit Lake.

Subsection 34(f) Two Year Waiting Period. In addition to all other Subsections of this Section 34, for a period of at least two (2) years after an Owner's acquisition of a Unit, said Owner cannot lease such Unit. After such time, said Unit will be eligible to be leased if all other conditions are satisfied and provided further that the Owner is not delinquent in the payment of any assessments or other charges to the Association. In its sole discretion, the Board of Directors may grant exceptions to this provision upon an Owner's showing of undue hardship in the manner as described in Subsection 34(d) above.

Subsection 34(g) Four Year Limit. In addition to the other Subsections of this Section 34, the Owner of a Unit cannot rent his or her Unit for more than four (4) years. For any Owner of a pre-March 10, 2010 rented Unit described above in Subsection 34(c), the four year limit shall commence as of March 10, 2010.

Subsection 34(h) Owner is Still Liable. No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his or her responsibility to the Association and the other Owners for compliance with the provisions of the Governing Documents, or from the Owner's liability to the Association for payments of assessments. The Owner is responsible to continue to make direct monthly payment for assessments and fees and other fees that may be assessed. The Owner of a rented Unit is responsible for any fines assessed by the Association against a renter or any damages done by a renter.

Subsection 34(i) Violations. Any lease or attempted lease of a Unit in violation of the Subsections of this Section 34 shall be voidable when the violation becomes known to the Association or any other Owner, except that neither party to such lease may assert this provision to avoid its obligations thereunder. In the event of a violation, the Board of Directors, on behalf of the Association, or any Owner, shall have the right to exercise any and all available remedies at law or equity. The Association shall be entitled to recover its attorneys fees, costs and expenses incurred in enforcing any of the Subsections of this Section 34.

Subsection 34(j) Institutional Mortgagees. The Subsections set forth in this Section 34 shall not apply to any institutional mortgagee of any Unit which comes into possession of the mortgagee by reason of any remedies provided by law or in equity or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure. However, when a Unit is sold or conveyed by such an institutional mortgagee to a subsequent purchaser, that subsequent purchaser shall be bound by the Subsections of this Section 34.

Subsection 34(k) Burden of Proof. Anything to the contrary herein notwithstanding, if at any time a Unit is not occupied by one of the Owners thereof, there shall be a presumption that the Unit is being leased and subject to the Subsections of this Section 34 and the Owner(s) shall have the burden of proving to the satisfaction of the Board of Directors that the occupancy is not in violation of the terms of this Section 34, including but not limited to the delivery to the Board of

Directors of a written statement of the nature and circumstances of the occupancy and any written document or memorandum that is the legal basis for the occupancy. For purposes of this Section 34 and this Subsection 34(k), any occupancy (including occupancy pursuant to a rent-to-buy contract or similar arrangement or pursuant to any option to purchase) by anyone other than an Owner shall be deemed to be a lease, rental or other similar arrangement, unless the Owner delivers to the Board of Directors a written purchase contract, conditional sales contract or similar contract whereby the occupant is unconditionally and presently legally obligated to purchase the Unit.

Section 35. Boat Docks. The Association owns five (5) boat docks that are available to be leased to a Spirit Lake Owner on a yearly basis. The Board of Directors of the Association shall determine the rental amount. All leases will require a written lease agreement. The rent received by the Association will be used to defer costs associated with the acquisition of the land to which the docks are attached, taxes, insurance, upkeep of the docks, and the maintenance and ecology of the related shoreline property. Since there are only five (5) boat docks available, the Board of Directors shall have the power to establish procedures and guidelines on how those docks will be allocated to Owners.

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Executed this 30th day of December, 2013.

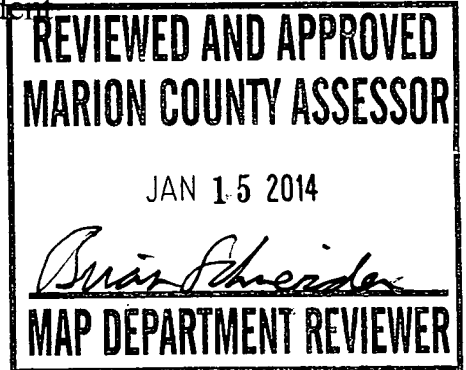
Spirit Lake Co-Owners Association, Inc., by:

Thomas H. Durkin

Thomas H. Durkin, President

Attest:

Peter M. DiMeglio
 Peter M. DiMeglio, Vice-President



STATE OF INDIANA)
) SS:
 COUNTY OF Johnson)

Before me, a notary public, in and for said County and State, personally appeared Thomas Durkin and Peter M. DiMeglio, the President and Vice-President, respectively, of Spirit Lake Co-Owners Association, Inc., an Indiana nonprofit corporation, who acknowledged execution of the within and foregoing (which includes the Amended and Restated Code of By-Laws attached as an exhibit hereto) for and on behalf of said corporation and its members and who, being duly sworn, stated that the representations made herein are true. Witness my hand and notarial seal this 30th day of December, 2013.

Roxanne E Rather Notary Public Seal Johnson County, State of Indiana Commission Number 639850 My Commission Expires: <u>November 13, 2020</u>	<i>Roxanne Rather</i> Notary Public - Signatures <i>Roxanne Rather</i> Printed Residence County: <u>Johnson</u>
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"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."
 P. Thomas Murray, Jr., Esq.

This instrument prepared by, and should be returned to, P. Thomas Murray, Jr., EADS MURRAY & PUGH, P.C., Attorneys at Law, 9515 E. 59th St., Suite B, Indianapolis, IN 46216. (317) 536-2565.

and is not eligible for rescission under IC 36-2-7

AMENDED AND RESTATED

CODE OF BY-LAWS OF

SPIRIT LAKE CO-OWNERS ASSOCIATION, INC.,

AN INDIANA NONPROFIT CORPORATION

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration of Spirit Lake Horizontal Property Regime ("Regime"), to which these By-Laws are attached and of which they are made a part. The Declaration (the "Declaration") is incorporated herein by reference and all of the covenants, conditions, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meanings in these By-Laws, and reference is hereby made to the definitions in Section 1 of the Declaration. The provisions of these By-Laws shall apply to the Property and to the administration and conduct of the affairs of the Spirit Lake Co-Owners Association, Inc. (the "Association").

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

Section 1.03. Membership. The Association's members shall be the Owners, and the terms "member" and "Owner", as used herein, in the Declaration or in the Articles, shall be interchangeable. A member shall be deemed to be in good standing so long as that person remains in compliance with the covenants and obligations of an Owner hereunder and under the Declaration.

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ARTICLE II

Meetings of Association

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

Section 2.02. Annual Meetings. The annual meeting for the Owners shall be held in the month of October, November or December of each year, with the specific date, time and place to be determined by the Board of Directors. At each annual meeting, the Owners shall elect the Board of Directors of the Association 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 of the Association may be called by resolution of a majority of the Board of Directors or upon a written petition of the President or the 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 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 Meetings. All meetings of the members of the Association shall be held at such location within Marion County, Indiana as may be designated by the Board of Directors. Written notice stating the date, time, place and proposed agenda 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 or Managing Agent of the Association to each Owner and, if applicable, to any Mortgagee, not less than fourteen (14) days prior to the date of such meeting. Any written notice delivered to the Co-Owners as part of a newsletter or other publication regularly sent to the Co-Owners constitutes a written notice. If at any meeting an amendment to the Declaration or these By-Laws is to be considered, the notice of such meeting shall describe the nature of such proposed amendment. The notice shall be mailed by first-class U.S. Mail, postage prepaid, or delivered to the Co-owners at their respective addresses as the same shall appear upon the records of the Association, and by U.S. Certified Mail, Return Receipt Requested to the Mortgagees that have been identified to the Board at their respective addresses as they shall appear on the records of the Association, by such means as provided in Section 33 of the Declaration.

Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting. Furthermore, notice of any meeting may be waived by any Co-Owner in writing, filed with the Secretary. If an annual or special meeting of Co-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 pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (hereafter, the "Nonprofit Statute") before adjournment.

In lieu of written notices from the Association sent pursuant to the above paragraph, an Owner may elect to receive notices from the Association by e-mail. Any Owner choosing e-mail shall be deemed to have waived the right to receive notices from the Association by U.S. Mail or personal delivery. However, any such Owner shall have the right at any time to withdraw his or her election to receive notice by e-mail, and shall thereafter be sent notices by the Association pursuant to the above paragraph.

Section 2.05. Voting.

(a) Number of Votes. To avoid fractional votes and to facilitate the orderly conduct of the meeting, each Owner shall be entitled to cast one (1) vote on each matter coming before the meeting.

(b) Multiple Owners. When the Owner of a Dwelling Unit constitutes more than one (1) person or entity, or is a partnership, 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 Dwelling 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 Unit.

(c) Voting by Corporation or Trust. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustees 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 shall cast the vote to which the corporation is entitled. The secretary of such corporation or a trustee of such 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 of the Association 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 or her duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner

shall duly designate his or her attorney-in-fact in writing, delivered to an officer of the Association or the Managing Agent of the Association prior to the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in the Declaration, these By-Laws, or the Act, the presence of Owners or their duly authorized representatives holding in excess of fifty percent (50%) of the total Vote shall constitute a quorum at all meetings. The terms "majority of Owners" and "majority of the vote", as used in these By-Laws, shall mean, unless otherwise expressly indicated, more than fifty percent (50%) of the total Vote as determined by the applicable provisions set forth in the Declaration, and shall not mean a majority of the persons or votes present or represented at such meeting. Except where otherwise expressly provided herein, in the Declaration or in the Articles, any action required or permitted to be taken at any Co-Owners' meeting with respect to any question or matter shall be taken pursuant to majority vote of the Co-Owners present or represented by proxy.

(f) Conduct of Meeting. The President of the Association shall chair each Owners' meeting. He or she 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 or an Assistant Secretary of the Association 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 of the votes cast by the Co-Owners present or represented by proxy.

(2) Treasurer's Report. The Treasurer or an Assistant Treasurer of the Association 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 next calendar year shall be presented to the Owners for approval or amendment, if necessary.

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by an Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least forty-five (45) days prior to the annual meeting. Voting for the Board of Directors will be by paper ballot unless otherwise

decided by the Owners at the annual meeting. The ballot shall contain the name of each person nominated to serve as a Director (as hereinafter defined). Each Owner may cast his or her Percentage Vote for each of as many nominees as are to be elected; however, he or she shall not be entitled to accumulate his or her votes. Those persons receiving the highest number of votes shall be elected.

(5) Other Business. Other business may be brought before the meeting only if such matter was included in the notice of the meeting or upon a written request submitted to the Secretary of the Association at least forty-five (45) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority vote of the Co-Owners present or represented by proxy.

(6) Committee Reports. Reports of committees designated to supervise and advise on the respective segments of maintenance and operations assigned by the Board of Directors shall be presented.

(7) Adjournment. Upon completion of all business before the Association, the President, upon the motion of any Owner, may adjourn the meeting; however, no annual meeting shall be adjourned until a budget is approved for the upcoming year.

Section 2.06. Conduct of Special Meeting. The President of the Association shall act as Chairperson of any special meetings of the Association. The Chairperson shall call the meeting to order at the duly designated time, and the only business to be considered at such meeting shall be in consideration of 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. Board of Directors. The affairs of the Association shall be governed and managed by the Board of Directors (herein sometimes collectively called "Board of Directors" and individually called "Directors"). The Board of Directors shall be composed of five (5) persons who each own at least one (1) Dwelling Unit. Each Director must also be a full time resident Owner within Spirit Lake. Thus, owners of investment properties within Spirit Lake and Owners who are not full time residents are ineligible to serve on the Board. Additionally, to be eligible to be elected to the Board of Directors, and to remain on the Board after election, the

individual must be in good standing financially with the Association, being defined as no more than sixty (60) days delinquent on the payment of any assessments or other charges payable to the Association. If a Director fails to be in good standing or fails to be a full time resident, such Director shall no longer be eligible to serve, and that Director's position on the Board shall be declared vacant by the remaining Board members at the next Board meeting.

Section 3.02. Additional Qualifications. Where an Owner consists of more than one (1) person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Unit may be represented on the Board of Directors by more than one person at a time.

Section 3.03. Term of Office and Vacancy. The Board of Directors shall be elected at each annual meeting of the Association. 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 of this Article III.

At the first annual meeting held following the adoption of these Amended and Restated By-Laws, one (1) Director shall be elected to serve a one (1) year term of office, two (2) Directors shall be elected to serve a two (2) year term of office and two (2) Directors shall be elected to serve a three (3) year term of office. At all annual meetings held thereafter, all Directors shall be elected to serve a three (3) year term of office. Thus, the terms of the Directors shall be staggered. At any director election where the terms of those directors being elected are to be staggered, the highest vote recipient shall be elected to the longest term, the second highest vote recipient shall be elected to the second longest term, and so on until all director positions being elected are filled. All Directors shall serve their full term and/or until their respective successors are properly elected and qualified. A Director may serve any number of consecutive terms.

Section 3.04. Removal of Directors. A Director or Directors elected by the Owners, or elected by the Directors to fill a vacancy, may be removed by the Owners with or without cause if the number of votes cast to remove would be sufficient to elect the Director(s) at a meeting to elect Directors. A Director or Directors may be so removed by the Owners only at a meeting called for the purpose of removing the Director(s). The meeting notice must state that the purpose of the meeting is for voting upon the removal of the Director(s). In such case, his, her or their successor(s) shall be elected at the same meeting from eligible Owners nominated at the meeting to serve for the remainder of the term(s) of the removed Director(s).

Section 3.05. Duties of the Board of Directors. The Board of Directors shall perform or cause to be performed, when and to the extent deemed necessary or appropriate in the Board's business judgment, the following:

- (a) Repair and replacement of the Common Areas and Limited Areas;
- (b) Procuring of utilities, removal of garbage and waste, and snow removal from the Common Areas;
- (c) Landscaping, painting, decorating, and furnishing of the Common Areas and Limited Areas, the exterior of the Buildings, garages and walls;
- (d) Surfacing, paving, and maintaining streets, parking areas, garages, and sidewalks, and the regulation of the use thereof;
- (e) Assessment and collection from the Owners of the Owner's pro-rata share of the Common Expenses;
- (f) Preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
- (g) Preparing annually a full accounting of all receipts and expenses incurred during each fiscal/calendar year, which accounting shall be provided to any Owner upon written request to the Board of Directors;
- (h) Maintain a current, accurate, and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses. All records and vouchers shall be available for examination by an Owner at any time during normal business hours.
- (i) Procuring and maintaining in force all insurance coverage required by the Declaration to be maintained for the whole Regime as specified by Section 17 of the Declaration.

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

- (a) To employ a professional managing agent or real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

(b) To purchase for the benefit of the Owners such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors;

(c) As more fully described and defined in the Declaration, to procure for the benefit of the Owners All Other Perils insurance (also known as fire and extended coverage insurance) covering the Buildings and the Property to the full insurable value thereof, to procure public liability and property damage insurance and Workers Compensation insurance, if necessary, and to procure all such other insurance as is required or permitted under the Declaration, for the benefit of the Owners and the Association;

(d) To employ legal counsel, architects, engineers, contractors; accountants, and others as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Association;

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

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

(g) To adopt, revise, amend, and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation, and enjoyment of the Property, including parking; provided that the Board shall give written notice to the Owners of such rules and any revision, amendment, or alteration thereof; and

(h) To manage the affairs of the Regime in all respects.

Section 3.07. Limitations on Board Action. The authority of the Board of Directors to enter into a contract shall be limited to ten percent (10%) of the reserve amount at the time of entering the contract, unless the prior approval of a majority of Owners present or represented at any meeting is obtained, except in the following cases:

(a) Supervision and management of the replacement or restoration of any portion of the Common Areas damaged or destroyed by fire or other casualty, where the cost thereof is payable out of insurance proceeds actually received;

(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 separately by the Owners at the 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 as determined by the Board of Directors.

The said maximum shall automatically be adjusted every year to reflect changes in inflation.

Section 3.08. Compensation. No Director shall receive any compensation for his or her services as such except to such extent as may be expressly authorized by a majority of the Owners.

Section 3.09. Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of 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 such meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meetings. Special meetings of the Board may be called by the President or any two (2) members of the Board. The person or persons 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 Board members. 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 as shall be designated in the notice. To the extent provided in the Nonprofit Statute, a Director may conduct or participate in a regular or special meeting of the Board of Directors through the use of conference telephone or any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is considered to be present in person at the meeting.

In lieu of written notices from the Board Secretary sent pursuant to the above paragraph, a Director may elect to receive notices of Board meetings by e-mail. Any Director choosing e-mail shall be deemed to have waived the right to receive notices from the Association by U.S. Mail or personal delivery. However, any such Director shall have the right at any time to withdraw his or her election to receive notice by e-

mail, and shall thereafter be sent notices by the Association pursuant to the above paragraph.

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 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. 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 Nonprofit Statute, as the same may be amended from time to time.

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 first meeting of the Board following each election thereof. Upon recommendation of a majority of all members of the Board and upon an affirmative vote of a majority of all Owners, any officer may be removed either with or without cause and his or her 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. The President shall preside at all meetings of the Association and of the Board, shall have and discharge all the general powers and duties usually vested in the office of the 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 or she 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 or her by the Board or by the President.

Section 4.05. The Secretary. The Secretary shall be elected by the Board from among the Owners or 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 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 these By-Laws.

Section 4.06. The Treasurer. The Board shall elect from among the Owners or Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of Treasurer. The Treasurer shall be legal custodian of all monies, notes, securities, and other valuables which may from time to time come into possession of the Association. He or she shall immediately deposit all funds of the Association coming into his or her hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name and for the exclusive benefit of the Association. The Board may delegate some or all of the Treasurer's responsibilities to the Managing Agent of the Association.

Section 4.07. Assistant Officers. The Board of Directors may from time to time designate and elect from among the Co-owners an Assistant Secretary and 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 of Directors may prescribe.

Section 4.08. Vacancies. Whenever any vacancy occurs in any Association office for any reason, such vacancy may be filled by the Board at any meeting thereof, and any officer so elected shall hold office until expiration of the term of the officer causing the vacancy, or until his or her successor is duly elected and qualified.

ARTICLE V

Additional Rights and Duties of Board

Section 5.01. Right of Entry. An Owner or occupant of a Dwelling Unit shall be deemed to have granted the right of entry to his or her Dwelling Unit to the Board, the Managing Agent, or any person authorized by the Board in case of any emergency, in order to remedy any circumstance threatening his or her Dwelling Unit, the Building in which it is located, any part of the Common Area, or any person, whether the Owner is present at the time or not. Any Owner shall permit persons authorized by the Board to perform any work, when required, to enter his or her Dwelling Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical facilities or equipment, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 5.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such reasonable rules and regulations regarding the operation of the Property as the Board may deem desirable, including but not limited to the use of the General Common Areas and Limited Areas and a delinquency policy resolution that details the procedures that would be followed for any Owner who is delinquent on the payment of any Assessments or any other charges owed to the Association. Such rules as are adopted may be repealed or amended by a vote of a majority of the Board. The Board shall cause copies of all such rules and regulations, including any amendments or repeals thereof, to be delivered or mailed promptly to all Owners at least fifteen (15) days prior to the effective date thereof. Any rule or regulation promulgated by the Board shall be properly and consistently enforced by the Board.

ARTICLE VI

Procedures for Assessments

Section 6.01. Annual Accounting. Annually, after the close of each calendar year, the Board of Directors shall cause to be prepared a financial statement by an independent Certified Public Accountant, which statement shall show all receipts and expenses received, incurred, and paid by the Association during the preceding calendar year. Such financial statement shall be provided to any Owner upon a written request to the Board of Directors.

Section 6.02. Proposed Annual Budget. Annually, on or before the date for notice of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget estimating the total amount of the Common Expenses for the following year, and furnish a copy of such proposed budget to each Owner prior to the annual meeting.

- Notwithstanding any other provisions in the Declaration or these By Laws, if such budget would result in an increase in the Regular Assessments (hereinafter defined) of five percent (5%) or less of the then current Regular Assessments, the Board shall have the power to adopt the same without any vote by the Owners.

- However, if such proposed budget would result in an increase in the Regular Assessments by more than five percent (5%) of the then current Regular Assessments, said proposed budget must be approved in whole or in part or amended in whole or in part by a majority of the Owners who are voting in person or by proxy at the Annual Meeting at which a quorum is represented.

The annual budget, once approved, shall be the basis for the Regular Assessments for the following calendar year. In no event shall the annual meeting of the Owners be adjourned until an annual budget is approved.

Section 6.03. Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each Dwelling Unit based on the Percentage Interest of each Dwelling Unit times the total amount of said budget (herein called the "Regular Assessment"). Since all Dwelling Units have the same Percentage Interest, that means that the Regular Assessment is the same for all Units. The Regular Assessment against each Unit shall be paid in twelve (12) equal monthly installments, commencing on the first day of the January immediately following adoption and continuing on the first day of each calendar month thereafter. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, that any Owner may elect to pay monthly Assessments in advance. The Regular Assessment for each year shall become a lien on each separate Dwelling Unit as of the date of the adoption of the annual budget. The Regular Assessment shall provide for payment of the regular Common Expenses provided for in the annual budget, including expenses for maintenance and repair of the Common Areas, necessary insurance costs, reserve funds for replacements and maintenance, costs of operation of the community activities and facilities of the Association, and for any other necessary or appropriate expenses for maintenance and operation of the Regime.

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Section 6.04. Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy such Special Assessments as may be necessary for the purpose of defraying, in whole or in part: (1) the cost of any construction, reconstruction, repair or replacement of a capital improvement, including fixtures and personal property related thereto, and (2) the expense of any other contingencies or events not provided for in the annual budget or the reserves and working capital of the Association; provided that no Special Assessments shall be levied without the approval of a majority of the votes cast by the Owners at a meeting duly called for this purpose at which a regular quorum is represented in person or by proxy. Each Owner shall pay to the Association a Special Assessment based on his or her Percentage Interest times total sum approved to meet the costs and expenses as heretofore provided. The Association may, in connection with the levy of any Special Assessment, specify that the same shall be payable in installments and specify the due dates thereof.

Section 6.05. Replacement Reserve Funds. The Association shall be obligated to establish and maintain a reserve fund for the repair and replacement of those Common Areas that must be replaced periodically, based upon good faith estimates of the useful lives and replacement costs of such Common Areas made or obtained by the Association. The reserve fund shall be funded through the annual budget and the Regular Assessments. All amounts held by the Association pursuant to this Section 6.06 shall be maintained in a federally insured, interest-bearing account in a bank or savings and loan association doing business in Marion County, Indiana, or invested in the same manner, and in the same types of investments, in which the funds of a political subdivision may be invested under Indiana Code 5-13-19, as amended, or as otherwise provided by law, and all interest thereon shall be added to and deemed a part of such fund. In general, reserves funds are to be utilized to repair/replace ONLY those items specified in the reserves budget category for which they were collected. However, a majority vote during an annual meeting will be required to utilize reserves for repair/replacement of items other than those categorized in the reserves budget.

Section 6.06. Status of Funds Collected by Association. All funds collected pursuant to this Article VI shall be held and expended by the Association solely for the purposes designated herein, and, except for any individual special Assessments that may be levied hereunder against less than all of the Owners (such as for an Owner's negligence), and except for such adjustments as may be required to reflect delinquent or prepaid assessments shall be deemed to be held for the use, benefit, and account of all of the Owners for the payment of Common Expenses in accordance with the Owners' respective Percentage Interests.

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ARTICLE VII

Amendment to By-Laws

Section 7.01. Amendment to By-Laws. These By-Laws may be amended by a majority of the Percentage Vote in a duly constituted meeting called for such purpose, except as prohibited by any provision of the Declaration, the Act, or these By-Laws, as the same may be amended from time to time.

ARTICLE VIII

Notices and Mortgagees

Section 8.01. Notice to Association. Any Owner who places a first mortgage lien upon his or her Dwelling Unit or the Mortgagee thereof may notify the Secretary of the Association and provide the name and address of the Mortgagee. A record of such Mortgagee and name required to be given to the Mortgagee pursuant to the terms of the Declaration or these By-Laws 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 mortgages and the name and address of the Mortgagee are furnished to the Secretary, either by Owner or by the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration or these By-Laws shall be required, and no Mortgagee shall be entitled to vote on any matter on which he or she otherwise may be entitled to vote by virtue of the Declaration or By-Laws or proxy granted to such Mortgagee in connection with the mortgage.

Section 8.02. Notice of Assessments. Upon ten (10) days written notice to the Association and the payment of a reasonable fee, the Association shall deliver to any Owner, Mortgagee, prospective Mortgagee, title insurance company, purchaser or other prospective transferee of a Dwelling Unit, a written statement setting forth the amount of all unpaid assessments, if any, with respect to the subject Dwelling Unit, together with the amount of the current assessments for Common Expenses and the date(s) such assessments become due and payable. Any such written statement shall be binding upon the Association in favor of any person relying thereon in good faith.

Section 8.03. Financial Statements. The Association, upon the request of any Mortgagee, shall provide to said Mortgagee the most recent financial statement prepared on behalf of the Association pursuant to Section 6.01 of these By-Laws.

Section 8.04. Notices to Mortgagees. The Association shall promptly provide to any Mortgagee of whom the Association has been provided notice under Section 8.01

of these By-Laws of any of the following:

- (a) Any condemnation or casualty loss that affects either a material portion of the Regime or the Dwelling Unit securing its mortgage;
- (b) Any delinquency in the payment of regular or Special Assessments owed by the Owner of any Dwelling Unit on which said holder, insurer, or guarantor 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; and,
- (d) Any proposed action that requires the consent of a specified percentage of Mortgagees.

Section 8.05. Availability of Information. The Association shall keep and shall make available to prospective purchasers of Dwelling Units, upon request at reasonable business hours, copies of the Declaration, By-Laws, current rules and regulations, if any, and the most recent financial statement of the Association.

"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."
P. Thomas Murray, Jr., Esq.

This instrument prepared by, and should be returned to, P. Thomas Murray, Jr., EADS MURRAY & PUGH, P.C., Attorneys at Law, 9515 E. 59th St., Suite B, Indianapolis, IN 46216. (317) 536-2565.