## **COVENANTS**

**FOR** 

# **FAIRWAY HILLS**

HENDRICKS COUNTY

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## BOOK 75 PAGE 600

# DECLARATION OF EXPANDABLE CONDOMINIUM

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Paragraph	Title Ic	Page
1. '	Definitions	2
2.	Declaration	4
3.	Name of the Condominium	4
4.	General Description of the Property	5
5.	Description of Buildings	5
6.	Description of Units	б
7.	Encroachments	6
8.	Common Areas and Facilities	7
9.	Use of Common Areas and Facilities	8
10.	Description of Limited Common Areas and Facilities	. 8
11.	Statement of Purposes, Use and Restrictions	8
12.	Easements	10
13.	Partitioning	11
14.	Liens	11
15.	Nature of Interest in Units	12
16.	Taxes	1.2
17.	Association of Owners	. 12
18.	Common Expenses	13
. 19.	Insurance	13
20.	Distribution of Insurance Proceeds	16
21.	Duty to Repair	17
. 22.	Partition	17

•		
Paragraph	Title	Page
23.	Power of Attorney to Board of Administrators	. 18
24.	Ownership or Lease of Units by Board of Administrators	. 19
25.	Rights of Declarant	. 19
26.	Units Subject to Declaration, By-Laws, Rules and Regulations	. 19
27.	Personal Property	. 20
28.	Interpretation	. 20
29.	Amendment to Declaration	20
30.	Enforcement	. 24
31.	Floor Plan	. 24
32.	Invalidity	. 24
33.	Waiver	. 24
34.	Captions	. 24
35.	Law Controlling	. 24

#### FAIRWAY HILLS

## PHASE I DECLARATION OF CONDOMINIUM EXPANDABLE CONDOMINIUM

THIS DECLARATION, and the exhibits which are attached hereto and made a part hereof, are made and executed this 10 m day of February 1978, by INDUN REALTY, INC., hereinafter called the "Declarant", for itself, its successors, grantees and assigns, pursuant to the provisions of the Indiana Horizontal Property Law.

#### WITNESSETH

WHEREAS, the Declarant is the owner of certain real property in Hendricks County, State of Indiana, more particularly described and defined in Exhibit "A", attached hereto and made a part hereof, which shall constitute the first phase of the Fairway Hills condominium development; and

WHEREAS, the Declarant is the owner of additional real property described in Exhibit "F", attached hereto, which shall, at the election of Declarant and upon annexation of such additional real property, constitute a part of the Fairway Hills condominium development; and

whereas, the Declarant is the owner of certain condominium type multi-unit buildings and certain other improvements, heretofore constructed or hereafter to be constructed upon the aforesaid property, and it is the desire and the intention of the Declarant to divide the project into "Condominium Units" or "Condominiums", as those terms are defined under the provisions of the Indiana Horizontal Property Law; and to sell and convey the same to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant desires and intends, by the filing of this Declaration, to submit the Property described in Exhibit "A" and the multi-unit buildings located thereon and all other improvements constructed or to be constructed thereon, together with all appurtenances thereto, to the provisions of the Indiana Horizontal Property Law; and

WHEREAS, the Declarant reserves the right to annex all or any part of said additional real property described in Exhibit "F", attached hereto, upon execution and recordation of

an amended declaration by Declarant which, upon execution and recordation shall automatically include the land described therein within this Declaration and such action shall require no approvals or other action by either the units owners or the Board of Administrators or the members of the Fairway Hills Association of Co-Owners or by any other person or entity, as hereinafter more particularly provided;

NOW, THEREFORE, the Declarant, by execution of this Declaration, does hereby create an Expandable Condominium subject to the provisions of the Indiana Horizontal Property Law and the terms and conditions hereof, and does hereby publish and declare that all of the Property described in Exhibit "A" (and as described in paragraph 4 below) is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said Property and the division thereof into Condominium Units and shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors and assigns, and any person, firm, corporation or other entity acquiring and owning an interest in the Property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

- 1. Definitions. Certain terms as used in this Declaration and Exhibits, attached hereto and made a part hereof, shall be defined as follows, unless the context clearly indicates a meaning different therefor:
  - (a) "Act" shall mean the Horizontal Property Law of the State of Indiana, I.C. 1971, 32-1-6-1, et seg., as amended. The Act is incorporated herein by reference;
  - (b) "Association of Co-Owners" is as defined in the Act and shall mean all of the Co-Owners acting as a group in accordance with the Declaration and By-Laws;
  - (c) "Board of Administrators" shall mean the governing body of the Association of Co-Owners, elected pursuant to the By-Laws and shall be synonomous with "Board of Directors" as used in the Act;
  - (d) "Buildings" shall mean all structures erected or to be erected upon the Property;
  - (e) "By-Laws" shall mean the by-laws for the administration of the Property and the Association of Co-Owners contained in Exhibit "B", attached hereto and made a part hereof;

## BOOK 75 PAGE 60#

- (f) "Common Areas and Facilities" shall have the meaning as set forth in the Act and as more fully described in paragraph 8 hereof;
  - "Common Expenses" shall mean and include: (g)
  - (i) all sums assessed against the Co-Owners by the Association of Co-Owners;
  - (ii) expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities;
  - (iii) expenses agreed upon as Common Expenses by the Association of Co-Owners; and
  - (iv) expenses declared to be Common Expenses by the provisions of the Act, or by this Declaration or the By-Laws;
- (h) "Common Expense Fund" shall mean the separate accounts to be kept in accordance with the provisions of . ARTICLE VII, Section 2 of the By-Laws;
- (i) "Common Interest" shall mean the aggregate of the undivided interests of the Co-Owners in the Common Areas and Facilities;
- (j) "Condominium" shall mean the entire estate in the Property owned by each Co-Owner, including an undivided interest in the Common Areas and Facilities and ownership of a separate interest in a Unit;
- "Condominium Documents" shall mean this Declaration and all of the exhibits hereto as the same shall from time to time be amended. Said exhibits are as follows:

Exhibit "A" - Legal Description of the Property; Exhibit "B" - By-Laws of the Association of Co-Owners;

Exhibit "C" - Master Site Plan;

Exhibit "D" - Plans and Specifications;

Exhibit "F" - Unit Designations; Exhibit "F" - Balance of Proposed Phase Land;

- (1) "Co-Owner" shall mean a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, having an ownership interest of record in a Unit within the Property;
- "Limited Common Areas and Facilities" shall mean those parts of the Common Areas and Facilities

reserved for the use of a certain Unit or Units to the exclusion of all other Units and more specifically described in paragraph 10 hereof;

- (n) "Mortgage" shall mean a deed of trust as well as a mortgage;
- (o) "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust, as well as a mortgagee;
- (p) "Phases of Development" means distinct stages of development of a single Expandable Condominium. The Declarant contemplates that this Declaration and the Property described herein shall constitute the first Phase of Development of a total condominium development to be known as "Fairway Hills", which shall consist of not to exceed 131 Units, including the initial 18 Units described herein and designated as Fairway Hills Phase I which constitutes the first phase of such development. All Phases of Development of the Fairway Hills condominium project shall be placed of record no later than seven (7) years from the date of recordation of this Declaration, all as more fully provided in paragraph 29 hereof;
- (q) "Property" or "Condominium Property" shall mean the entire parcel of real property referred to in this Declaration to be divided into Condominiums (and more fully described in Exhibit "A"), including the land, the Buildings, all improvements and structures thereon, all owned in fee simple absolute, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for common use in connection therewith;
- (r) "Unit" shall mean "Condominium Unit" as defined in the Act and shall mean those parts of the Condominium Property described in paragraph 6 hereof which are the subject of individual ownership. The term "Unit" as used herein and in the By-Laws shall be synonomous with the term "Condominium Unit" as used in the Act.
- 2. <u>Declaration</u>. Declarant hereby expressly declares that the Property described herein shall be an Expandable Condominium in accordance with the provisions of the Act and this Declaration.
- 3. Name of the Condominium. The name by which the Condominium Property shall be known is "Fairway Hills Phase I." Subsequent Phases of Development shall be designated using the name "Fairway Hills" and an appropriate phase number.

- 4. General Description of the Property. The Condominium Property consists of the real property described and identified on Exhibit "A", attached hereto and made a part hereof, and the Buildings and other improvements erected and to be erected thereon and all articles of personal property intended for common use in connection therewith.
- 5. Description of Buildings. Fairway Hills Phase I will consist of three (3) non-contiguous multi-unit residential buildings. The Buildings are designated numerically, I through 3, as shown on the Master Site Plan, a copy of which is attached hereto and made a part hereof as Exhibit "C", which such Master Site Plan further shows the location of each Building on the real property described in Exhibit "A" and its location with respect to every other Building thereon. The three (3) Buildings contain a total of eighteen (18) separate units, consisting of four (4) basic floor plan types designated by the legend on the Plans and Specifications attached hereto as Exhibit "D", as Floor Plan Types A, B, S and W, with two (2) modified floor plan types designated with the letter "M" following the basic floor plan description. The floor types are as follows:

Type A: Three Eedroom Bi-Level Townhouse
Type B: Two Bedroom Bi-Level Townhouse
Type S: Two Bedroom and Den Ranch
Type SM: Two Bedroom and Den Ranch with Basement
Type W: Two Bedroom Ranch
Type WM: Two Bedroom Ranch with Basement

The Type A and B Units are bi-level units of approximately one and one-half (1-1/2) stories, the "A" without a separate basement level, and the "B" with a partial basement level. The Types "S" and "W" Units are one (1) story units without separate basement levels. The Type "SM" and "WM" Units are one (1) story units with separate basements. All Units have attached garages which are part of the Unit.

The configuration of each Building is as follows:

Building Designation	Unit Types	Total Units	Basement	Stories
1	1 Type A Unit 2 Type B Units 1 Type SM Unit 2 Type WM Units	<b>6</b> .	No Partial Yes Yes	1-1/2 1-1/2 1
2	2 Type A Units 4 Type B Units	6	No Partial	1-1/2 1-1/2
3	2 Type S Units 4 Type W Units	6	No No	1

Said multi-unit Buildings are more particularly described and defined in the Plans and Specifications of said Buildings, a copy of which Plans and Specifications are attached hereto and made a part hereof as Exhibit "D", showing all particulars of the Buildings, including the layout, number of stories, the location, ceiling and floor elevations, Building designations, Unit Numbers and dimensions of the Units. Such Plans bear the verified statement of Maitland/Strauss, Architects, P.C., certifying that said Plans are actual copies of portions of the Plans of the Buildings as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. For a more particular description of the Buildings, reference is hereby made to the Plans and Specifications and filed herewith as Exhibit "P".

## 6. Description of Units:

- (a) The Unit designation of each Condominium Unit, approximate area, number of rooms and other data concerning its proper identification are set forth in Exhibit "E", attached hereto and made a part hereof. The percentage interests of each Unit in the Common Areas and Facilities shall be based upon the adjusted square footage of each Condominium Unit as shown on Exhibit "E", attached hereto, in relationship to the total adjusted square footage of all Units as shown on said Exhibit "E". Adjusted square footage shall mean the square footage of the Unit excluding basement area and fifty percent (50%) of the square footage in any basement areas, all computed by reference to the plans regardless of actual construction. Said percentage interests appurtenant to each Unit are as specified on said Exhibit "E" attached hereto;
- (b) Each Unit shall constitute a single freehold estate and shall consist of all of the space bounded by the undecorated and/or unfinished interior surfaces of its perimeter walls, load bearing walls, lowermost floors, uppermost ceilings, windows and window frames, door and door frames. Each Unit includes both portions of the Building within such boundaries and the space so encompassed, including, without limitation, the decorated surfaces, including paint, lacquer, varnish, wallpaper, paneling, tile, carpeting and any other finishing materials applied to interior walls, doors, floors and ceiling and interior surfaces of permanent walls, interior non-load bearing walls, windows, doors, floors and ceiling.
- 7. Encroachments. If any portion of the Common Areas and Facilities encroaches upon any Unit, or if any Unit now encroaches upon any other Unit, or upon any portion of the Common Areas and Facilities, as a result of the construction

of the Buildings, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Buildings, a valid easement for the encroachment and for the maintenance of same, so long as the Buildings stand, shall exist. In the event the Buildings, the Unit, any adjoining Unit, or any adjoining Common Area or Facility shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachment of parts of the Common Areas and Facilities upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Areas and Facilities due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Buildings shall stand.

- 8. Common Areas and Facilities. The Common Areas and Facilities consist of all the Property other than the Units as described in paragraph 6 above, including, without limitation, the following (except such portions of the following as may be included within an individual Unit):
  - (a) The land on which the Buildings are erected and all land surrounding the Buildings as more fully described in paragraph 4 above;
  - (b) All foundations, columns, girders, beams, supports and other structural members;
  - (c) The yards, landscaping, fences, roads, driveways and exterior parking areas;
  - (d) All roofs, exterior walls and interior load-bearing walls, attics and crawl spaces;
  - (e) All central and appurtenant installations for services such as power, lights, water, sewer, gas and television; and all tanks, pumps, motors, sewage grinders, fans, cables, antennas, conduits, compressors, flues and ducts (except as described in paragraph 10 below), mechanical systems, storm drains, and all other items used in connection therewith, whether located in Common Areas or in Units;

#### (f) All exterior walkways;

- (g) Maintenance areas and recreational areas to the extent hereafter located within the Property;
- (h) All other parts of the Property and all apparatus and installations including all items of personal property existing in the Buildings or upon the Property for common use or which are necessary or convenient to the existence, maintenance or safety of the Property.

Subject to the provisions of paragraph 29 hereof, the percentage of undivided interests in the Common Areas and Facilities as pertaining to each Unit and its Co-Owner for all purposes is as set forth in Exhibit "E", attached hereto and made a part hereof, as if herein set forth in full. Such percentage interest appertaining to each Unit shall be subject to change as is provided in paragraph 29 hereof should Declarant file an amended declaration adding additional Units and real estate to the Expandable Condominium.

- 9. Use of Common Areas and Facilities. Each Co-Owner shall have the right to use the Common Areas and Facilities in accordance with the purposes for which they are intended and for all purposes incident to the use and occupancy of his Unit, and such right shall be appurtenant to and run with his Unit, provided, however, that no person shall use the Common Areas and Facilities or any part hereof in such manner as to interfere with or restrict or impede the use thereof by others entitled to the use thereof or in any manner contrary to or not in accordance with this Declaration, the By-Laws, and such rules and regulations as may be established from time to time by the Board of Administrators. Such rules and regulations may impose reasonable restrictions on the use of such Common Areas and Facilities, including, without limitation, assignment of parking spaces to individual Units for their exclusive use.
- Limited Common Areas and Facilities shall mean and include those Common Areas and Facilities reserved for use by a certain Unit or Units to the exclusion of other Units and shall mean all patios, balconies, chimneys (including duct work and flues), fenced yard areas, atriums and storage rooms. While parking spaces shall not constitute Limited Common Areas and Facilities, the Board of Administrators shall, from time to time, assign parking spaces to specific Units for their exclusive use. Said Limited Common Areas and Facilities are more fully designated in Exhibit "p", attached hereto and made a part hereof. References in this Declaration and the By-Laws to Common Areas and Facilities shall include Limited Common Areas and Facilities unless the context clearly indicates otherwise. Each Co-Owner is hereby granted an exclusive and irrevocable license to use and occupy the Limited Common Areas and Facilities associated with and/or assigned to such Co-Owner's Unit.
- 11. Statement of Purposes, Use and Restrictions. The Units, Common Areas and Facilities, and Limited Common Areas and Facilities shall be occupied and used as follows:
  - (a) The Condominium Property shall be used for single family residential purposes and common recreational purposes auxiliary thereto, and for no other purposes;

(b) There shall be no obstruction of the Common Areas and Facilities. Nothing may be stored in the Common Areas and Facilities, excluding the Limited Common Areas and Facilities located within the bounds of a Unit or pertaining to a Unit, without the prior written consent of the Board of Administrators;

- (c) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the Common Areas and Facilities without the prior written consent of the Board of Administrators. No Co-Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which would result in the cancellation of insurance on any Unit or any part of the Common Areas and Facilities, or which would be in violation of any law. No waste will be committed of the Common Areas and Facilities;
- (d) No sign of any kind shall be displayed to the public view from any Unit or from the Common Areas and Facilities without the prior written consent of the Board of Administrators;
- (e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Areas and Facilities, except that small (less than forty (40) pounds) dogs, cats or other usual household pets may be kept in Units, subject to rules and regulations adopted by the Board of Administrators; and, provided, the pet does not create a nuisance. Any pet which, in the judgment of the Board of Administrators is causing or creating a nuisance of immeasurable disturbance or noise shall be permanently removed from the Property upon three (3) days notice from the Board;
- (f) No noxious or offensive activity shall be carried on in any Unit, or in the Common Areas and Facilities, nor shall anything be done therein which will be an annoyance or nuisance to other Co-Owners;
- (g) Nothing shall be altered or constructed in or removed from the Common Areas and Facilities except upon the written consent of the Board of Administrators and, until all phases of construction in Fairway Hills are completed, by Declarant;
- (h) The Board of Administrators of the Association of Co-Owners is authorized to adopt rules for the use of the Common Areas and Facilities, said rules to be furnished in writing to the Co-Owners. There shall be no violation of said rules;

BOOK 75 PAGE (i) Notwithstanding anything herein to the contrary, Declarant, and such persons it may select, shall have the right of ingress and egress over, upon and across the Common Areas and Facilities, the right to utilize one or more Condominium Units as model units, sales offices and management offices (together with the right, in its sole discretion, to cease such use and sell or otherwise dispose of the Unit or Units so used, and to relocate and use other Units for models, sales offices and management offices), the right to eract signs upon the Property for the purpose of advertising availability of Units and similar uses, and the right to store materials on the Common Areas and Facilities and make such other use thereof as may be reasonably necessary incident to construction, development and sale of the Condominiums and operation of the Units and Common Areas and Facilities and of other subsequent Phases of Development of which the Property is a part.

### 12. Easements:

(a) General. Each Co-Owner shall have an easement in common with the other Co-Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Facilities located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Co-Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Facilities serving such other Units and located in such Unit. The Board of Administrators or its agents shall have the right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Facilities contained therein or elsewhere in the Buildings;

The Board of Administrators may hereafter grant easements (and shall grant such easements as permitted in this paragraph 12 or as the Declarant shall direct) for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits, and wires over, under, along and on any portion of the Common Areas; and each Co-Owner hereby grants the Board of Administrators an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Co-Owner such instruments as may be necessary to effectuate the foregoing.

The Property shall be subject to an easement for the benefit of abutting and adjoining property owners

BOOK 75 PAGE 6/3

a whole or the Common Areas and Facilities, except with the unanimous consent in writing of all of the Co-Owners and the holders of first liens thereon, except for (a) such liens as may arise or be created against the several Units and their respective Common Interests under or in accordance with the provisions of the Act; and (b) the lien of any mortgage given by Declarant to secure financing for the construction of the Buildings and other improvements on the Property. Every agreement for the performance of labor, or the furnishing of materials to the Common Areas and Facilities, whether oral or written, must provide that it is subject to the provisions of this Declaration.

- Nature of Interest in Units. Every Unit, 15. together with its undivided interest in the Common Areas and Facilities, shall for all purposes be, and it is hereby declared to be and to constitute a separate parcel of real property, and the Owner thereof shall be entitled to the exclusive ownership and possession of his Unit, subject only to the covenants, restrictions, easements, by-laws, rules, regulations, resolutions and decisions adopted pursuant hereto and as may be contained herein and in the accompanying By-Laws and in the Minutes of the Board of Administrators and the Association of Co-Owners. The percentage of undivided interest in the Common Areas and Facilities of each Unit shall not be separated (subject to the provisions of paragraph 29) from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.
  - 16. Taxes. Every Condominium Unit, together with its undivided Common Interest in the Common Areas and Facilities, shall constitute a separate parcel of real property and shall be separately assessed and taxed by each assessing unit for all types of taxes authorized by law. Each Co-Owner shall be liable solely for the amount of taxes against his individual Unit.

#### 17. Association of Owners:

(a) In order to provide for the maintenance, repair, replacement, administration and operation of the Property, contemporaneously herewith, Declarant is causing the formation of an Indiana not-for-profit corporation to be known as "Fairway Hills Association of Owners, Inc.". Membership therein shall be composed of all of the Owners of the Units at Fairway Hills - Phase I, and subsequent phases of Fairway Hills, subject to the provisions of paragraph 29 hereof. Each owner of a Unit shall become a member of the corporation, but membership shall automatically terminate when such

BOOK 75 PAGE 6/4

person ceases to be an Owner and will be transferred to the new Owner;

- (b) Fairway Hills Association of Owners, Inc., shall be governed in accordance with and as prescribed by the By-Laws attached hereto;
- (c) Declarant, by this Declaration, and all Co-Owners, by the acceptance of their deeds, covenant and agree to be bound by the conditions, restrictions and obligations contained in the By-Laws of Fairway Hills Association of Owners, Inc., and the provisions of this Declaration;
- (d) The duties and powers of the Association of Owners shall be those set forth in this Declaration, the Articles of Incorporation and the By-Laws of the Association of Owners, including the power and authority to make assessments as provided for in the By-Laws.
- 18. Common Expenses. Each Co-Owner shall contribute pro rata, in proportion to his undivided interest as set forth in Exhibit "E" hereto, as the same may be amended from time to time pursuant to paragraph 29 hereof, toward the expenses of administration and of maintenance and repair of the Common Areas and Facilities and any other expense lawfully agreed upon; and shall pay any special assessment duly assessed by the Board of Administrators, all in accordance with the By-Laws of the Association of Owners, this Declaration and the provisions of the Act.

The Condominium Property is located within a planned unit development known as "Prestwick" and, as such, may be liable for its pro rata portion of assessments and charges which may be levied by Prestwick Community Services Association, Inc. Such assessments and expenses, to the extent levied by Prestwick Community Services Association, Inc., against the Condominium shall be properly treated as a Common Expense for purposes of this Declaration. Such assessments may be levied directly against the Co-Owners rather than the Condominium.

obtain and maintain at all times insurance of the type and kind in not less than the amounts provided in this Declaration and the By-Laws and including insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium properties similar in construction, design and use. Such insurance shall be governed by the following provisions:

### BOOK 25 PAGE 4/5

- The Board of Administrators shall have the (a) authority to and shall obtain insurance policies upon the Condominium Property for the benefit of the Co-Owners and their mortgagees as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of the Co-Owners and delivery of said certificates to mortgagees within ten (10) days from their original issuance or the issuance of the renewals thereof. The originals of all such Policies and the endorsements thereto shall be deposited with the Board of Administrators, as insurance trustees, and certificates of insurance, together with proof of payment of premiums, shall be delivered to the Co-Owners at least ten (10) days prior to the expiration date with respect to the then current policies. Co-Owners may, at their option, obtain insurance coverage at their own expense upon their own personal property and for their living expenses and such other coverage as they may desire;
- (b) The Board of Administrators shall make every effort to secure insurance policies that will provide the following minimum coverages:
  - (i) FIRE. The Buildings and all other improvements upon the land and all personal property included in the Common Areas and Facilities shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Administrators with the assistance of the insurance company providing coverage. The policies evidencing such coverage shall contain clauses providing for waiver of subrogation, the standard SMP Condominium Endorsement (Form MLB-29A, Ed. 12-74) (excepting the Waiver of Subrogation provision contained therein), and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all the insureds, including all Mortgagees of Units. Such coverage shall provide protection against:
  - (A) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement; and
  - (B) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Buildings, including, but not limited to, vandalism and

## BOOK 75 PAGE 6/9

manager, without prior demand in writing that the Board of Administrators or manager cure the defect;

- (iii) That any "no other insurance" clause in the master policy on the Property exclude individual Co-Owners' policies from consideration.
- (e) All insurance policies purchased by the Board of Administrators shall be for the benefit of the Board of Administrators and the Co-Owners and their Mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Board as insurance trustee. The sole duty of the Board of Administrators as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Co-Owners and their Mortgagees in the following shares:
  - (i) With respect to proceeds on account of damage to Common Areas and Facilities, an undivided share for each Co-Owner, such share being the same as each Co-Owner's undivided interest in the Common Areas and Facilities;
  - (ii) Proceeds on account of damage to Units shall be held in the following undivided shares:
  - (A) When the Building(s) is to be restored, for the Co-Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Co-Owner, which cost shall be determined by the Administrators;
  - (B) When the Building(s) is not to be restored, an undivided share for each Co-Owner, such share being the same as his percentage interest in the Common Areas and Facilities;
  - (iii) In the event a mortgage endorsement has been issued to a Unit, the share of the Co-Owner shall be held in trust for the Mortgagee and the Co-Owner as their interests may appear; provided, that, no mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged Property shall be reconstructed or repaired.
- 20. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Board of Administrators as

insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

- (a) All expenses of the insurance trustee shall be first paid or provisions made therefor.
- (b) If it is determined, as provided in paragraph 22 hereof, that the damaged Property, with respect to which the proceeds are paid, shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners thereof.
- 21. Duty to Repair. In the event of damage to or destruction of the Building(s) and/or the Common Areas and Facilities as a result of fire or other casualty to the extent of less than all of the Buildings containing Condominium Units, and the Condominium Property is not partitioned as provided in paragraph 22, the Board of Administrators shall arrange for the prompt repair and restoration of the Buildings and/or the Common Areas and Facilities (including any damaged Unit, but not including any decoration or coverings for walls, ceilings, or floors, or other furniture, furnishings, fixtures or equipment in the Unit, unless the subject insurance policy covers a portion or all of such loss to the Unit; in which event, the Board shall repair or replace such damaged property), and the Board of Administrators shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost for such repair and restoration in excess of the insurance proceeds shall be paid by all Co-Owners in proportion to each Co-Owner's undivided interest in Common Areas and Facilities. If any Co-Owner or Co-Owners refuse or fail to make the required payments, the other Co-Owners shall (or the Association, if such other Co-Owners fail) complete the restoration and pay the costs thereof, and the costs attributable to the Co-Owner or Co-Owners who refuse to make such payment at the time required by the Board of Administrators shall become a lien on such defaulting Co-Owner's Unit and may be foreclosed in the same manner as provided for the lien for Common Expenses.

Any reconstruction or repair shall be in accordance with the Plans and Specifications of the original Building(s) and/or Common Areas and Facilities, portions of which are attached to this Declaration as exhibits, or if not, then according to Plans and Specifications approved by the Board of Administrators and Declarant if Declarant is the Owner of one or more Units at such time.

22. Partition. If all of the Buildings containing Condominium Units shall be destroyed by fire or other disaster, the Buildings shall not be reconstructed unless restoration thereof is approved within One Hundred Twenty (120) days from

#### BOOK 75 PAGE 6/9

the date of damage or destruction by not less than Co-Owners owning Sixty-six and Two-thirds Percent (66-2/3%) in Common Interest of the Common Areas and Facilities. If such approval is not obtained, then, in such event:

- (a) The entire Condominium Property shall be deemed to be owned as tenants-in-common by the Co-Owners;
- (b) The undivided interest in the Condominium Property owned by each Co-Owner shall be his percentage interest in the Common Areas and Facilities previously appurtenant to his Unit or Units;
- (c) Any liens or encumbrances affecting any Unit shall be deemed transferred in accordance with the existing priorities to the percentage of undivided interest of the subject Co-Owner in the Condominium Property as hereinabove provided; and
- (d) The Condominium Property shall be subject to an action for sale in lieu of partition at the suit of any Co-Owner, in which event the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among the Co-Owners in the proportion to their percentage interests in the Common Areas and Facilities previously appurtenant to their Units, after the respective shares of the Co-Owners, to the extent sufficient for that purpose, have first been applied to the payment of all liens on the Unit of each Co-Owner;

The determination of total destruction of the Buildings containing Condominium Units shall be made by a vote of Co-Owners owning not less than 66-2/3% in Common Interest in the Common Areas and Facilities at a special meeting of the Association of Co-Owners called for that purpose.

Each Co-Owner shall be deemed to have granted to the persons who shall from time to time constitute the Board of Administrators an irrevocable power of attorney, coupled with an interest, to acquire title to any Unit which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Administrators or its designee, corporate or otherwise, as trustees on behalf of all or less than all Co-Owners, and to hold, convey, sell, lease, mortgage, vote the votes appurtenant thereto or otherwise deal with any such Unit so acquired.

- Administrators. Declarant may designate and convey to the Board of Administrators any unsold Unit, and the Board of Administrators may purchase and/or hold such a Unit to be provided as a residence for a managing agent. The cost thereof, if any, and the Common Expenses thereto shall be shared by the remaining Co-Owners in the same proportion as Common Expenses; adjusted, however, to reflect the exclusion of the Unit purchased; and any profit or loss realized upon the sale by the Association of such Unit shall likewise be shared by the remaining Co-Owners.
- 25. Rights of Declarant. Notwithstanding anything contained in this Declaration, or in the By-Laws or any rules and regulations as may be adopted from time to time by the Board of Administrators, the Declarant is irrevocably empowered to sell, lease, rent and/or mortgage Units and portions thereof to any purchaser, lessee or mortgagee approved by it in its sole discretion and Declarant shall have the right to transact any business necessary to consummate sales or rentals of Units or portions thereof, including, but not limited to, the right to maintain models, have signs, use the Common Areas and Facilities and show Units. The sales office, signs, and all items pertaining to sales shall not be considered Common Areas and Facilities, and shall remain the property of Declarant. Declarant retains the right to be the Owner of any unsold Units or parcels. Declarant, for such time as it continues to be a Unit Owner, shall only be required to contribute such sums to the Common Expenses of the Condominium, in addition to the total of the monthly Common Expenses assessments paid by all other Unit Owners, as may be required for the Association to maintain the Condominium as provided in this Declaration and exhibits attached hereto; provided, however, in no event shall Declarant be required to contribute to the Common Expenses as to Units owned by it in an amount exceeding the amounts which would have been duly assessed by the Board for similar Units had they been sold to bona fide purchasers other than Declarant. Commencing one year after the date on which all of the Units have been deeded to Owners, Declarant shall contribute to the Common Expenses as to the Units owned by it in the same manner as all other Unit Owners.
  - and Regulations. All present and future Co-Owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws, and any rules and regulations as may be adopted in accordance with the By-Laws, as said Declaration, By-Laws, rules and regulations may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, By-Laws and any rules and

regulations which may be adopted are accepted and ratified by such Co-Owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

- 27. Personal Property. The Board of Administrators may acquire and hold, for the benefit of the Co-Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in such personal property shall be held by the Co-Owners in the same proportion as their respective undivided interests in the Common Areas and Facilities and shall not be transferable except with a transfer of a Unit. A transfer of a Unit shall vest in the transferee ownership of the transferor's beneficial interest in such personal property.
- 28. Interpretation. The provisions of this Declaration and the By-Laws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium property.

## 29. Amendment to Declaration:

- (a) By Owners. This Declaration may be amended by the vote of at least seventy-five percent (75%) in Common Interest of all Co-Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, which such amendment shall become effective upon recordation of a written instrument duly executed and acknowledged by Co-Owners holding seventy-five percent (75%) in Common Interest of the Condominium in the Office of the Recorder of Hendricks County, Indiana; provided, however, that any such amendment made pursuant to this paragraph 29(a) which amends or alters the percentage of undivided interests in the Common Areas and Facilities, or voting rights, shall require the approval of all Co-Owners and shall become effective only upon recordation in the appropriate registry of a written instrument executed and acknowledged by all Co-Owners;
- (b) Reserved Rights of Declarant. Notwithstanding anything herein to the contrary, until all Units subject to this Declaration have been sold by Declarant, no amendment to this Declaration shall be effective unless approved in writing by Declarant; and during said period, Declarant reserves the right to change the interior design and arrangement of any unsold Units, and to add such additional Common Facilities or recreational facilities

to time within a seven (7) year period from the date of recordation of this Declaration, to annex to the Present Condominium Area all or a portion of the land described in Exhibit "F", attached hereto and made a part hereof, which such land is herein denominated the "Development Area". Such annexation shall be by the recordation of an Amended Condominium Declaration (the "Amended Declaration"), and no rights of any type or character whatsoever of any unit owner in annexations within the Development Area shall attach until such Amended Declaration is recorded annexing part or all of the Development Area to the condominium regime hereby created. Upon the recordation of such Amended Declaration, the land therein so described, and the condominium units and all other improvements located thereon, shall be deemed to be governed in all respects by the provisions of this Declaration;

- (ii) Any Amended Declaration which is filed to accomplish annexation of land to the Present Condominium Area as aforesaid shall prescribe and adjust the percentage interest in the Common Area and Facilities for all Units, if any, created by said Amended Declaration, and for all Units created by prior Amended Declarations, if any, and for all Units created by the within Declaration, on the following basis:
  - (A) For the purpose of this Section, the following definitions shall be controlling. At the time of recordation of each Amended Declaration:
    - (1) Existing Units and Existing Common Areas and Facilities shall mean, respectively, those Units and Common Areas and Facilities in existence prior to the creation of New Units and New Common Areas and Facilities by each aforesaid Amended Declaration, whether created by a prior Amended Declaration or this Declaration;
    - (2) New Units and New Common Areas and Facilities shall mean, respectively, those Units and Common Areas and Facilities which are created and added by each aforesaid Amended Declaration; and

- (3) Aggregated Units and Aggregated Common Areas and Facilities shall mean, respectively, the sum of all Existing Units and New Units, and the sum of all Existing Common Areas and Facilities and New Common Areas and Facilities.
- (B) At the time of recordation of each Amended Declaration, the adjusted square footage of the Property as a whole shall be the sum of the adjusted square footage of all Existing Units and New Units. The percentage interest in the Aggregate Common Areas and Facilities which is appurtenant to each Unit shall be based upon the ratio of the adjusted square footage of each Unit, whether an Existing Unit or New Unit, to the total adjusted square footage of all Units;

The recording of an Amended Declaration pursuant to this Section shall not alter or affect the amounts due from any Co-Owners of Existing Units for common expenses or other assessments or shall it alter or affect the lien securing such amounts.

- (C) At the time of recordation of each Amended Declaration:
  - The percentage of undivided ownership interest in the Common Areas and Facilities of each Unit shall automatically be shifted and reallocated in the manner set forth in each recorded. Amended Declaration;
  - (2) The amount by which the percentage of undivided interest in the Common Areas and Facilities of each Unit is reduced by said Amended Declaration shall thereby be released and divested by and from the Co-Owner of the Unit so affected and reallocated among other Co-Owners of Units as set forth in such Amended Declaration;
  - (3) All liens, including, but not limited to, mortgage liens, shall be released as to the percentage of interest in the Common Areas and Facilities described in the Declaration prior to its amendment and shall attach to the reallocated percentage of interest as set out in each amendment.

- (d) The Association of Owners shall cause written notice to be given to the holder of any mortgage on any Unit in the Condominium at least thirty (30) days prior to the effective date; except, with respect to an amendment pursuant to Sections 29(b) or 29(c) which shall require no such notice.
- with the provisions of this Declaration, the By-Laws, and the rules, regulations and decisions issued pursuant thereto and as the same may be lawfully amended from time to time. Failure to do so shall be grounds for an action to recover sums due for damages, injunctive relief, or both, maintainable by the Board of Administrators or manager on behalf of the Association of Co-Owners or, in a proper case, by an aggrieved Co-Owner.
  - 31. Floor Plan. The Plans setting forth the layout, location, identification number, Building designation and dimensions for all the Units and the Property are incorporated into this Declaration by reference. Such Plans, which are attached hereto as Exhibit "D", have been filed in the Office of the Recorder of Hendricks County, Indiana, in Condominium Plat Book No. 1, on figural 1972, as Instrument Number \$1/20/
  - 32. Invalidity. The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity and enforceability or effect of the remainder of this Declaration, and in such event, all the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.
  - 33. Waiver. No provisions contained in the Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
  - 34. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provisions hereof.
  - 35. Law Controlling. This Declaration and the By-Laws attached hereto shall be construed and controlled by and under the laws of the State of Indiana.

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

INDUN REALTY, INC.

By: Gulliuse

[Corporate Seal]

Attest:

By Denara Sour assistant Secretary

STATE OF INDIANA

COUNTY OF

and State, personally appeared Karl E. Preusse Ny me known and known by me to be the Executive Vice President and Assistant Secretary respectively, of INDUN REALTY, INC., who acknowledged the execution of the above and foregoing Declaration for and on behalf of said Corporation.

WITNESS my hand and Notarial Seal this 10th day of ary \_\_, 1977.

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commission expires:

DONNA L. McLAUGHLIN My Commission Expires

June 80, 1980

Resident of Morgan County

Donna L. McLaughlin.

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#### EXHIBIT "A"

BOOK 25 PAGE 627

LEGAL DESCRIPTION FAIRWAY HILLS - PHASE I

Part of the West Half of the Southwest Quarter of Section 9, Township 15 North, Range 1 East, and part of the East Half of the Southeast Quarter of Section 8, Township 15 North, Range 1 East in Hendricks County, Indiana, being more particularly described as follows:

Commencing at the Southeast corner of said Southwest Quarter Section; thence North 00°09'17" East on and along the East line of said Quarter Section a distance of 1073.37 feet; thence North 89° 50'44" West a distance of 339.93 feet to a point on the East line of PRESTWICK ONE as recorded in Plat Book 1, pages 1 to 16 in the Office of the Recorder of Hendricks County; thence North 03°39'14" East on and along said East line of PRESTWICK ONE a distance of 359.30 feet; thence North 01°19'25" West on and along the East line of PRESTWICK ONE a distance of 412.68 feet to the Northeast corner of PRESTWICK ONE; thence North 60°28'49" West on and along the Northeasterly line of PRESTWICK ONE a distance of 472.00 feet; thence South 89°10'32" West on and along the North line of PRESTWICK ONE a distance of 120.52 feet to the Northwest corner of PRESTWICK ONE; thence South 00°49'28" East on and along the West line of PRESTWICK ONE 86.50 feet to the point of beginning of this description; said point of beginning also being a point on a curve, said curve having a radius of 81.98 feet and being subtended by a long chord having a bearing of South 57°08'34" East and a length of 51.98 feet; thence Southeasterly on and along said curve and along the Westerly line of PRESTWICK ONE a distance of 52.89 feet to the P.T. of said curve; thence South 38°39'37" East on and along the Westerly line of PREST-WICK ONE a distance of 208.64 feet; thence South 54°06'50" West on and along the Westerly line of PRESTWICK ONE a distance of 24.84 feet; thence South 88°37'll" West on and along the Westerly line of PRESTWICK ONE a distance of 83.02 feet to the point of beginning of this description; thence South 01°43'52" East on and along the Westerly line of PRESTWICK ONE a distance of 160.42 feet; thence South 50°42'38" East on and along the Westerly line of PRESTWICK ONE a distance of 26.74 feet; thence South 30°27'59" West on and along the Westerly line of PRESTWICK ONE a distance of 107.57 feet; thence North 48°48'07" West a distance of 99.91 feet; thence South 41°11'53" West a distance of 12.43 feet; thence North 48°48'07" West a distance of 140.05 feet; thence South 41°11'53" West a distance of 65.00 feet; thence South 48°48'07" East a distance of 236.75 feet; thence South 25°18'54" East a distance of 123.74 feet; thence South 21°09'06" West a distance of 90.07 feet; thence North 68°48'21" West a distance of 183.94 feet; thence North 20°24'36" East a distance of 22.94 feet; thence North 42°31'03" West a distance of 261.43 feet; thence North 53°49'57" East a distance of 152.84 feet; thence North 41°11'53" East a distance of 65.00 feet; thence North 63°01'11" East a distance of 92.58 feet; thence North 46°39'47" East a distance of 108.64 feet; thence North 88°37'11" East a distance of 60.00 feet to the point of beginning, containing in all 2.200 acres, subject, however, to all legal highways, rights-of-way and easements of record.

EXHIBIT "B"

BY-LAWS OR FAIRWAY HILLS ASSOCIATION OF OWNERS, INC.

BY-LAWS

OF

FAIRWAY HILLS ASSOCIATION OF OWNERS, INC.

Consisting of 22 Pages, Numbered 1 through 22 KC

## BOOK\_25\_PAGE\_

# INDEX TO BY-LAWS OF FAIRWAY HILLS ASSOCIATION OF OWNERS, INC.

ARTICLE	•	TITLE	PAGE
ı.	PLAN OF UNIT C	WNERSHIP	1
	Section 1.	Unit Ownership	1
	Section 2.	Applicability of By-Laws	1
	Section 3.	Application	1
II.	UNIT OWNERS		2
	Section 1.	Name and Nature of Association	. 2
	Section 2.	Place of Meetings	Ż
	Section 3.	Annual Meeting	2
•	Section 4.	Substitute Annual Meeting	2
	Section 5.	Special Meetings	2
	Section 6.	Notice of Meetings	3
	Section 7.	Quorum	3
	Section 8.	Voting Rights	`3
	Section 9.	Majority Rights	4
	Section 10.	Proxies	4
	Section 11.	Waiver of Notice	4
	Section 12.	Informal Action by Unit Owners	4
III.	BOARD OF ADMI	NISTRATORS	4
	Section 1.	Number	4
	Section 2.	Initial Administrators	5
	Section 3.	Election, Term and Qualification	.5
	Section 4.	Removal	6

	•	•	
ARTICLE		TITLE	PAGE
	Section 6.	Vice President	12
	Section 7.	Secretary	.12
	Section 8.	Treasurer	12
	Section 9.	Assistant Secretaries and Treasurers	13
vi.	OPERATION OF I	HE PROPERTY	13
	Section 1.	Assessment and Determination of Common Expenses and Fixing of the Common Charges	1,3
	Section 2.	Payment of Common Charges	14
	Section 3.	Special Assessments	15
	Section 4.	Collection of Common Charges	15
	Section 5.	Default in Payment of Common Charges	16
	Section 6.	Lien and Personal Obligation	16
	Section 7.	Foreclosure of Liens for Unpaid Common Charges	17
	Section 8.	Statement of Common Charges	<b>_17</b>
	Section 9.	Abatement and Enjoinment of Violations by Unit Owners	17
	Section 10.	Maintenance and Repair	18
	Section 11.	Restrictions on Unit Owners	19
	Section 12.	Duty to Report	19
	Section 13.	Additions, Alterations or Improvements by Board of Administrators	19
	Section 14.	Additions, Alterations or Improvements by Unit Owners	. 19
	Section 15.	Use of Common Areas and	20

----

## BOOK 75 PAGE 632

ARTICLE	•	TITLE ,	PAGI
	Section 16.	Right of Access	20
•	Section 17.	Rules of Conduct	20
	Section 18.	Electricity, Water, Sewer and Telephone	20
	Section 19.	Garbage and Trash Removal	20
vII.	VII. RECORDS AND AUDITS		21
	Section 1.	Reports	21
	Section 2.	Common Expense Funds	21
VIII.	AMENDMENT TO	BY-LAWS	22

BY-LAWS

OF

FAIRWAY HILLS
ASSOCIATION OF OWNERS, INC.

## ARTICLE I

## PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The property located in Hendricks County, State of Indiana, and more particularly described in the Declaration to which these By-Laws are attached has been submitted to the provisions of the Horizontal Property Law of the State of Indiana by the Declaration recorded in the Office of the Recorder for Hendricks County, State of Indiana, simultaneously herewith, and shall hereinafter be known as "Fairway Hills" (hereinafter called the "Condominium").

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the property of the Condominium and to the use and occupancy thereof. These By-Laws are adopted simultaneously with the execution of that certain Declaration creating the Fairway Hills Condominium to which these By-Laws are attached and made a part thereof. The Declaration is incorporated herein by reference and all of the covenants, rights, definitions, restrictions and liabilities therein contained shall apply to and govern the interpretation of these By-Laws.

Section 3. Application. All present and future owners, mortgages, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these By-Laws and rules and regulations made pursuant hereto, and any amendment to these By-Laws upon the same being passed and duly set forth in an amendment to the Declaration, duly recorded.

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws (and any rules and regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

Section 6. Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) days, nor more than fifty (50) days before the date thereof, either personally or by mail, at the direction of the Board of Administrators or Co-Owners calling the meeting, to each person entitled to vote at such meeting.

In case of an annual or substitute meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of Administrators on which the vote of Co-Owners is expressly required by the provisions of the Indiana Horizontal Property Law. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is effective.

proxy, at any meeting, of Voting Members (as defined in Section 8 of this Article) having thirty percent (30%) of the total votes shall constitute a quorum. If there is no quorum at the opening of the meeting of Co-Owners, such meeting may be adjourned from time to time by the vote of a majority of the Voting Members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

The Voting Members at a meeting at which a quorum is present may continue to do business until adjournment, not-withstanding the withdrawal of enough Voting Members to leave less than a quorum.

Section 8. Voting Rights. There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Co-Owners. Such person shall be known and hereafter referred to as a "Voting Member". Such Voting Member may be the Owner, or one of a group composed of all of the Owners of a Unit, or may be some other person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by judicially declared incompetence of any designator, or by written notice to the Board by the Owner or Owners. The total number of votes of all Voting Members shall be one hundred (100), and each Co-Owner or group of Co-Owners (including the Board of Administrators, if the Board of Administrators, or its designee, shall then hold title to one or more Units)

shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Areas and Facilities applicable to his or their Unit as set forth in Exhibit "E" of the Declaration.

Section 9. Majority Vote. The vote of a majority in interest of Co-Owners present at a meeting at which a quorum shall be present shall be binding upon all Co-Owners for all purposes except where a higher percentage vote is required by the Declaration or By-Laws or by provision of law.

Section 10. Proxies. Co-Owners may vote, either in person or by agents duly authorized by written proxy, executed by such Co-Owner or by his duly authorized attorney-in-fact. A proxy shall not be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after ten (10) years from the date of its execution. Unless a proxy otherwise provides, any proxyholder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the secretary or duly acting secretary of the Association, either during or prior to the meeting in question.

any time, waive notice of any meeting of the Association in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Co-Owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof, except where a Co-Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Co-Owners are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 12. Informal Action by Co-Owners. Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting (that is, the Voting Members), and filed with the Secretary of the Association to be kept in the Association Minute Book.

#### ARTICLE III

#### BOARD OF ADMINISTRATORS

Section 1. Number. The business and property of the Condominium shall be managed and directed by the Board of

Administrators composed of five (5) persons (except that the initial Board shall be three (3) in number), or by such Executive Committees as the Board may establish pursuant to the By-Laws.

Section 2. Initial Administrators. The initial Administrators shall be selected by the Declarant and shall serve, at the election of the Declarant, from the date upon which the Declaration is recorded in the Hendricks County, Indiana, public records until ninety (90) days after all of the Units of all Phases of Development have been sold and conveyed, or until such time as their successors are duly elected and qualified.

The names of the persons who shall serve on the initial Board of Administrators (which such initial Board shall be composed of three (3) members) from the date upon which the Declaration is recorded in the Hendricks County, Indiana, public records until the first annual meeting of the members or until such time as their successors are duly elected and qualified and all of whom are representatives of Declarant, are as follows:

David H. Clark Steven Bucksot Ellen Kord

Section 3. Election, Term and Qualification. Except as provided in Sections 2 and 5 of this Article, the Administrators shall be elected at the annual meting of the Association and those persons who receive the highest number of votes shall be deemed to have been elected; provided, however, that so long as Declarant shall own one or more Units, Declarant shall have the right to designate and appoint one member to the Board of Administrators. The size of the Board of Administrators may be increased or decreased from time to time upon the affirmative vote of seventy-five percent (75%) in common interest of all Co-Owners, provided that said Board shall not be less than three (3) in number. Each Administrator shall hold office for the period for which elected or until his death, resignation, retirement, removal, disqualification or his successor is elected and qualified. Each member of the Board (after the first annual meeting of the Association and the election and qualification of the successors to the initial Board of Administrators) shall be one of the Owners or Co-Owners; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then an officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board.

At the first annual meeting of the Association, the members of the Board of Administrators shall be divided into three (3) classes, the first class to consist of two members, the second class to consist of two members and the third class

## BOOK 75 PAGE 638

to consist of one member. The members of the first class shall initially hold office for a term of three (3) years; the members of the second class shall initially hold office for a term of two (2) years; and the members of the third class shall initially hold office for a term of one (1) year. At all annual elections thereafter a number of directors shall be elected by the Voting Members to succeed those directors whose terms then expire and each such Director shall serve for a three (3) year term. So long as Declarant shall own one or more Units, the member to the Board which Declarant has the right to appoint shall be the member which constitutes the third class. Nothing herein contained shall be construed to prevent the election of an administrator to succeed himself.

Section 4. Removal. Administrators may be removed from office with or without cause by the affirmative vote of the Co-Owners having a majority of the total votes entitled to vote at an election of Administrators. However, unless the entire Board is removed, an individual Administrator may not be removed if the number of Co-Owners voting against the removal would be sufficient to elect an Administrator if such Co-Owners voted cumulatively at an annual election. If any Administrators are so removed, new Administrators may be elected at the same meeting; provided, however, that so long as Declarant owns one or more Units, the Administrator elected by Declarant cannot be removed without the prior written consent of Declarant.

Section 5. Vacancies. A vacancy occurring in the Board of Administrators, including administratorships not filled by the Co-Owners, may be filled by a majority of the remaining Administrators, though less than a quorum, or by the sole remaining Administrator; but a vacancy created by an increase in the authorized number of Administrators shall be filled only by election at an annual meeting or a special meeting of Co-Owners called for that purpose. Voting Members may elect an Administrator at any time to fill any vacancy not filled by the Administrators.

Section 6. Compensation. The Board of Administrators shall receive no compensation for their services.

Section 7. Executive Committees. The Board of Administrators may, by resolution adopted by a majority of the number of Administrators fixed by these By-Laws, designate two or more Administrators to constitute an Executive Committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Administrators in the management of the Condominium.

The Board of Administrators may, in like manner, create such other committees as it deems necessary and appropriate in aiding the Board of Administrators to carry out its duties and responsibilities with respect to the management of the Condominium.

Section 8. Powers and Duties. The Board of Administrators shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except such acts as by law, or by the Declaration, or by these By-Laws may not be delegated to the Board of Administrators. Such powers and duties of the Board of Administrators shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the Common Areas and Facilities;
- (b) Determination of the common expenses and special assessments required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;
- (c) Collection of the common charges and special assessments from the Co-Owners;
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and Facilities;
- (e) The adoption and amendment of such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Co-Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Co-Owners and occupants and the entire Property shall at all times be maintained subject to such rules and regulations;
- (f) Opening of bank accounts on behalf of the Condominium and designating of the signatories required therefor;
- (g) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of all Co-Owners; provided, however, such action has been duly authorized by the affirmative vote of Co-Owners owning seventy-five percent (75%) in interest of the Condominium;
- (h) Selling, mortgaging, voting the votes appurtenant to or otherwise dealing with Units acquired by the Board of Administrators or its designee, corporate or otherwise, on behalf of all Co-Owners, subject to the Declaration and other applicable restrictions and organizing corporations to act as designees of the Board in acquiring title to Units on behalf of all Co-Owners;

BOOK 75 PAGE 640

- (i) Maintaining and repairing any Unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the Common Areas and Facilities or any other portion of the Building(s) if any Co-Owner of any Unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Co-Owner, provided that the Board shall levy a special assessment against such Co-Owner for the costs of said maintenance or repair;
- (j) Entering any Unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Co-Owners as practicable, and any damage caused thereby shall be repaired by the Board and such expenses shall be treated as a common expense. The Board shall have the right to retain keys for each Unit;
- (k) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President;
- Obtaining of insurance for the Property, including the Units, pursuant to the applicable provisions of the Declaration;
- (m) Making of repairs, additions and improvements to or alterations or restoration of the Property in accordance with the other provisions of these By-Laws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceeding; and
- (n) Contract for all goods, services and insurance payment for which is to be made from the common expense fund.

Section 9. Managing Agent. The Board of Administrators for the Condominium may engage the services of any person, firm or corporation to act as managing agent, for a term not to exceed three (3) years, at a compensation established by the Board, to perform such duties and services as the Board of Administrators shall authorize, including, but not limited to, the duties listed in subdivisions (a), (c), (d), (f), (i), (j), (k), (l), (m) and (n) of Section 8 of this ARTICLE III. The

# BOOK 15 PAGE 641

Board may delegate to the managing agent all of the powers granted to the Board of Administrators by these By-Laws other than the powers set forth in subdivisions (b), (e), (g) and (h) of Section 8 of this ARTICLE III. Such managing agent may be a corporation or partnership which is an affiliate of Declarant.

#### ARTICLE IV

#### MEETINGS OF ADMINISTRATORS

Section 1. Organizational Meeting. The first meeting of the initial Board of Administrators designated in these by-Laws shall be held at such time as the Declarant shall determine. The first meeting of a newly elected Board of Administrators shall be held within fifteen (15) days following the meeting of the Co-Owners at which the Board was elected. No notice shall be necessary to the newly elected members of the Board of Administrators in order to legally constitute such meeting, providing a quorum shall be present.

Section 2. Regular Meetings. A regular meeting of the Board shall be held immediately after, and at the same place as the annual meeting or substitute annual meeting of the Co-Owners. In addition, the Board of Administrators may provide by resolution the time and place, either within or without the State of Indiana, for the holding of a regular meeting of the Board.

Section 3. Special Meetings. Special meetings of the Board of Administrators may be called by or with the request of the President or by any two Administrators. Such meetings may be held either within or without the State of Indiana.

Section 4. Notice of Meetings. Regular meetings of the Board of Administrators may be held without notice. The person or persons who called a special meeting of Administrators shall, at least two (2) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Attendance by an Administrator at a meeting shall constitute a waiver of notice of such meeting except where an Administrator attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

Section 5. Waiver of Notice. Any member of the Board of Administrators may at any time waive notice of any meeting of the Board of Administrators in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance

. BOOK 75 PAGE 642

by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Administrators are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 6. Quorum. A majority of the number of Administrators fixed by these By-Laws shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Administrators.

Section 7. Manner of Acting. Except as otherwise provided in this section, the act of the majority of the Administrators present at a meeting at which a quorum is present shall be the act of the Board of Administrators.

A vote of a majority of the number of Administrators fixed by the By-Laws shall be required to adopt a resolution constituting an Executive Committee. The vote of a majority of the Administrators then holding office shall, subject to approval by the Unit Owners as herein provided, be required to adopt, amend or repeal a by-law. Vacancies in the Board of Administrators may be filled as provided in ARTICLE III, Section 5, of these By-Laws.

Section 8. Organization. Each meeting of the Board of Administrators shall be presided over by the President, and in the absence of the President, by any person selected to preside by vote of the majority of the Administrators present. The Secretary, or in the absence of both the Secretary and Assistant Secretary, any person designated by the President of the meeting, shall act as Secretary of the meeting.

Section 9. Informal Action of Administrators. Action taken by a majority of the Administrators without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Administrators and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 10. Minutes. The Board shall keep minutes of its proceedings, which shall be available for inspection by the Unit Owners during reasonable business hours.

Section 11. Fidelity Bonds. The Board of Administrators may, in its discretion, require all officers and employees of the Condominium handling or responsible for Condominium funds to be covered by an adequate fidelity bond. The premiums on such bonds shall constitute a common expense.

BOOK 75 PAGE 643 Section 12. Liability of the Board The members of the Board of Administrators shall not be liable to the Co-Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Co-Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Board of Administrators shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent that they are Co-Owner(s), all such liability being solely that of the Association. It is also intended that the liability of any Co-Owner arising out of any contract made by the Board of Administrators, or out of the aforesaid indemnity in favor of the members of the Board, shall be limited to such proportion of the total liability thereunder as his interest in the Common Areas and Facilities bears. to the interests of all the Unit Owners in the Common Areas and Facilities. Every agreement made by the Board or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Administrators, or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Co-Owners), and that each Co-Owner's liability there-under shall be limited to such proportion of the total liability as his interest in the Common Areas and Facilities bears to the interest of all Co-Owners in the Common Areas and Facilities.

#### ARTICLE V

# OFFICERS

Section 1. Number. The principal officers of the Condominium shall consist of a President, a Secretary, a Treasurer, and such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Administrators may from time to time elect. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term. The officers of the Condominium shall be elected by, and from among, the Board of Administrators. Such elections may be held at the regular annual meeting of the Board.

Each officer shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

· BOOK 75 PAGE 644

Section 3. Removal. Any officer or agent elected or appointed by the Board of Administrators may be removed by the Board with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation. No officer shall receive any compensation from the Condominium for acting as such.

Section 5. President. The President shall be the principal executive officer of the Condominium and, subject to the control of the Board of Administrators, shall supervise and control the management of the Condominium. The President shall, when present, preside at all meetings of the Board and of the Unit Owners and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed from time to time by the Board.

Section 6. Vice President. The Vice President, and if there be more than one, the Vice Presdient designated by the Board of Administrators, shall, in the absence or disability of the President, have the powers and perform the duties of said office. In addition, each Vice President shall perform such other duties and have such other powers as shall be prescribed by the President of the Board.

Section 7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and Administrators. He shall give, or cause to be given, all notices required by law and by these By-Laws. He shall have general charge of the minute books and records of both the Association and the Board. He shall sign such instruments as may require his signature and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the President or by the Board of Administrators.

Section 8. Treasurer. The Treasurer shall have custody of all Condominium funds and securities and shall receive, deposit or disburse the same under the direction of the Board of Administrators. He shall keep full and accurate accounts of the finances of the Condominium in books especially provided for that purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and of changes in surplus for each fiscal year, all in reasonable detail, to be prepared and distributed to all Co-Owners and members of the Board of Administrators on or before the 15th day of the third month following the close of each fiscal year. The statement so filed shall be kept available for inspection by any Co-Owner for a period of three (3) years and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to each Co-Owner, annually, on or before May 15,

covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State or local law and shall generally perform all other duties as may be assigned to him from time to time by the President or the Board of Administrators. Such functions may, in the discretion of the Board of Administrators, be delegated to a managing agent.

Section 9. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary and Treasurer, respectively, have all the powers and perform all of the duties of those officers, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Administrators.

#### ARTICLE VI

#### OPERATION OF THE PROPERTY

# Section 1. Assessment and Determination of Common Expenses and Fixing of the Common Charges:

- (a) The Board of Administrators shall, from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Co-Owners to meet the common expenses of the Condominium as set forth in the budget, and allocate and assess such common charges among the Co-Owners according to their respective percentage interests, taking into consideration any expected income and any surplus from the prior year's operation;
- (b) The common expenses shall include, among other things:
  - (i) the expenses, costs and charges incurred in connection with the administration, operation and management of the Condominium Property;
  - (ii) the cost of maintenance, repair, replacement and restoration of the Common Areas and Facilities, or any part thereof;
  - (iii) the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Administrators pursuant to the provisions of the Declaration;

BOOK 75 PAGE 646

- (iv) such amounts as the Board of Administrators may deem proper for the convenience, comfort and well-being of the Co-Owners, and for the operation, management and maintenance of the property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year;
- (v) such amounts as may be required for the purchase by the Board of Administrators or its designee, corporate or otherwise, on behalf of all or less than all Co-Owners of a Unit, which is to be sold at a foreclosure or other judicial sale;
- (vi) assessments by Prestwick Community Services Association, Inc., which are made against the condominium rather than against the individual Unit owners;
- (vii) in proper cases, the cost of administration and of maintenance and repair of the Limited Common Areas and Facilities; and
  - (viii) any other expense lawfully agreed upon.

The Board of Administrators shall advise all Co-Owners promptly, in writing, of the amount of common charges payable by each of them respectively, as determined by the Board of Administrators, as aforesaid, and shall furnish copies of each budget on which such common charges are based to all Co-Owners. Provided, however, that (i) any increase in the per Unit assessment for any period in excess of twenty percent (20%) of the amount of such assessment for the previous period; or (ii) any expenditure in any one budget period which causes the per unit assessment to increase by more than twenty percent (20%) shall require the approval of sixty-six and two-thirds percent (66-2/3%) in common interest of all Co-Owners. Provided, further, however, that (i) the initial Administrators may elect to assess common charges in an amount less than that required by the budget(s) presented by them; and (ii) increases in assessments due to increasing the number of units of the Regime pursuant to paragraph 29(c) of the Declaration shall not require approvals of the Co-Owners.

Section 2. Payment of Common Charges. All Co-Owners shall be obligated to pay the common charges assessed by the Board of Administrators pursuant to the provisions of Section 1 of this ARTICLE VI at such time or times as the Board shall determine, but in no event less frequently than quarterly.

Common charges shall be assessed and shall be deemed to accrue on an annual basis though the Board of Administrators may, in its discretion, elect to permit installment payment of the same, provided such installments are not less frequently than quarterly.

No Co-Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Unit, together with his interest in the Common Areas and Facilities (and Limited Common Areas and Facilities, if any) as defined in the Declaration. A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of common charges assessed against such Unit prior to the acquisition by purchaser of such Unit without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor. Any such purchaser shall be entitled to a statement from the Board of Administrators setting forth the amount of the unpaid assessments against the seller and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any umpaid assessments in excess of the amount therein set forth. Provided, however, that a mortgagee or other purchaser of a Unit at a foreclosure sale or by deed in lieu of foreclosure of such Unit shall not be liable for, and such Unit shall not be subject to, a lien for the payment of common charges assessed prior to the foreclosure sale. Such unpaid common charges shall be deemed to be common charges collectible from all of the Co-Owners, including such purchaser, his successors and assigns.

Section 3. Special Assessments. The Board of Administrators may levy special assessments, subject to the limitations and approvals required by Section 1 hereof for common expenses not covered by the annual budget. Such special assessments shall be charged to the Units according to their percentage interests in the Common Areas and Facilities. In addition, the Board may levy special assessments against one or more, but less than all, of the Units with respect to Limited Common Areas and Facilities related to such Units or with respect to any other items of expense incurred with respect to such Units. The period of assessment and manner of payment of such assessments shall be determined by the Board.

Section 4. Collection of Common Charges. The Board of Administrators shall determine common charges against the Co-Owners from time to time and at least annually, and shall take prompt action to collect any common charges due from any Co-Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

The Board of Administrators shall notify the holder of the first mortgage on any Unit (of which it has notice) for which any common charge assessed pursuant to these By-Laws remains unpaid for more than thirty (30) days from the due date for payment thereof and in any other case where the Co-Owner of such Unit is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

Section 5. Default in Payment of Common Charges. the event of default by any Co-Owner in paying to the Board of Administrators the common charges as determined by the Board, such Co-Owner shall be obligated to pay interest at the maximum allowable legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees (as permitted by law), incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expense of the proceedings, including attorneys' fees, in any action to recover the same brought against such Co-Owner, or by foreclosure of the lien on such Unit in like manner as a deed of trust or mortgage of real property. Common charges shall be assessed on an annual basis and shall be deemed to accrue upon assessment although payment may, in the discretion of the Board, be permitted on an installment basis. However, in the event of a default in the payment of any installment for more than thirty (30) days, as provided in Section 4 above, then, in such event, the entire remaining amount of such assessment shall become immediately due and payable.

Section 6. Lien and Personal Obligation. Each assessment provided for in this Article, together with interest and expenses, including attorneys' fees, as provided in Section 5 hereof, shall be a charge on and a continuing lien upon the Unit against which the assessment is made, which such lien shall be prior to all other liens, excepting only:

- (i) tax liens on the unit in favor of any assessing unit and special district; and
- (ii) all sums unpaid on a first mortgage of record.

Such lien may be filed and foreclosed by suit by the managing agent designated by the Board of Administrators, or by the Board of Administrators under and in accordance with the laws of the State of Indiana governing the filing, enforcement and foreclosure of mechanics' and materialmens' liens; provided, such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of thirty (30) days after the same shall become due. Said notice of lien shall also secure all assessments against the Unit becoming due thereafter until the lien has been satisfied.

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# BOOK 75 PAGE 649

Section 7. Foreclosure of Liens for Unpaid Common In any action brought by the Board to foreclose on a Unit because of unpaid common charges, the Co-Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Co-Owners, or on behalf of any one or more individual Co-Owners if so instructed, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same. Where the mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of the first mortgage, such purchaser, its successors and assigns, shall not be liable for the share of the common expenses or assessments by the Board of Administrators chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser. Such unpaid share of common expenses or assessments shall be deemed. to be a common expense collectible from all Co-Owners, including such purchaser, its successors and assigns.

Section 8. Statement of Common Charges. The Board of Administrators shall promptly provide any Co-Owner so requesting the same, in writing, with a written statement of all unpaid charges due from such Co-Owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these By-Laws:

- (a) to enter the Unit in which, or as to which, such violation or breach exists and to make any repairs, and to summarily abate and remove, at the expense of the defaulting Co-Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or
- (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Co-Owner; or
- (c) in any case of flagrant or repeated violation by a Co-Owner, to require such Co-Owner to give

sufficient sureties for his future compliance with such condominium documents. The failure of the Board to so act with respect to any such violation or breach shall not be deemed a waiver of the Board's right to act with respect to the same or any other breach or violation.

# Section 10. Maintenance and Repair:

By Owners. Each Co-Owner shall maintain, repair and replace, at his sole cost and expense, all portions of his Unit and the limited common areas appertaining to such Unit which may become in need thereof, including the heating and air-conditioning system (including filters) for each Unit, patios, balconies and fenced yard areas (exclusive of the fences which shall be maintained by the Association), all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load bearing walls, screens, glass, ceilings, carpeting, drapes and other items within the Unit, whether structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any Common Areas and Facilities not specifically set forth herein and contained therein, and not necessitated by the negligence, misuse or neglect of the Co-Owner, his family, guests, agents, servants, lessees, employees or contractors). Each Co-Owner shall further be responsible for all damages to any and all other Units and/or to the Common Areas and Facilities that his failure to do so may engender;

All damages to the Common Areas and Facilities, intentionally or negligently caused by the Co-Owner, his family, guests, agents, servants, lessees, employees or contractors, shall be promptly repaired by the subject Co-Owner at his sole cost and expense; provided, there is excluded from the provisions contained in this section such repairs necessitated by casualties insured against by the Board of Administrators to the extent the Board receives insurance proceeds for such repairs;

If the Co-Owner does not make those repairs to be made by him within thirty (30) days from written demand by the Board of Administrators, the same may be repaired by the Board and the costs thereof shall be assessed against the Unit owned by the subject Co-Owner;

(b) By Board of Administrators. The Board of Administrators shall maintain, repair and replace all portions of the Common Areas and Facilities, except as provided to the contrary in subparagraph (a) immediately above which shall require same, whether located inside

BOOK 75 PAGE 65/
or outside the Units (unless necessitated by the
negligence, misuse or neglect of a Co-Owner, his family,
guests, agents, servants, lessees, employees or contractors, in which case, such expense shall be charged
to such Co-Owner except to the extent such damage shall
be reimbursed to the Association from insurance proceeds),
and the cost thereof shall be charged to all the CoOwners as a common expense.

Section 11. Restrictions on Co-Owners. No Co-Owner shall perform or cause to be performed any maintenance, repair or replacement work which disturbs the rights of the other Co-Owners, jeopardizes the soundness or the safety of the Condominium or the overall aesthetics of the Property, or reduces the value thereof. Each Co-Owner shall cause any work so performed or being performed on the Unit, which, in the sole opinion of the Board of Administrators, violates the terms of this section, to be immediately corrected, and he shall refrain from recommencing or continuing any work so in violation without written consent of the Board.

Section 12. Duty to Report. Each Co-Owner shall promptly report to the Board of Administrators or its agent any defect or need for repairs or replacement the responsibility for which is that of the Board of Administrators.

Section 13. Additions, Alterations or Improvements by Board of Administrators. Whenever in the judgment of the Board of Administrators, the Common Areas and Facilities shall require additions, alterations or improvements, the Board of Administrators shall proceed with such additions, alterations or improvements and shall assess all Co-Owners for the cost thereof, as a common charge, subject, however, to the provisions of Section 1 of this ARTICLE VI.

Section 14. Additions, Alterations or Improvements by Co-Owners. No Co-Owner shall make any structural addition, alteration, or improvement in or to his Unit, or any addition, alteration or improvement which affects the exterior portion or outward appearance of such Unit, without the prior written consent thereto of the Board of Administrators and Declarant. The Board shall have the obligation to answer any written request by a Co-Owner for approval of a proposed addition, alteration or improvement in such Co-Owner's Unit, within fifteen (15) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Administrators to the proposed addition, alteration or improvement. The provisions of this Section 14 shall not apply to Units owned by Declarant until such Units have been initially sold and conveyed by Declarant.

BOOK 75 PAGE 653

# ARTICLE VII

# RECORDS AND AUDITS

Section 1. Reports. The Board of Administrators or the managing agent shall keep detailed records of the actions of the Board and the managing agent, minutes of the meetings of the Board of Administrators, minutes of the meetings of the Association, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of the common charges against such Unit, the date when due, the amounts paid thereof, and the balance remaining unpaid. The financial records and books of account shall be available for examination by all the Co-Owners, their duly authorized agents or attorneys and mortgagees at convenient hours or working days that shall be set and announced for general knowledge. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board to all Co-Owners on or before the 15th day of the fifth month following the close of each fiscal year covering the preceding year. In addition, an annual report of the receipts and expenditures of the Condominium shall be rendered by the Board to all Co-Owners and to all mortgagees of Units who have requested the same, promptly after the end of each fiscal year.

Section 2. Common Expense Funds. All sums collected by the Association, either as assessments of the common charges or special assessments, may be commingled in a single fund but they shall be held for the Co-Owners for the purposes for which they are paid and shall, subject to the right of withdrawal or refund hereinafter provided, be credited to accounts from which shall be paid the charges for which the assessments are made. Such accounts shall include the following, or such other and further accounts as the Board of Administrators from time to time shall determine:

- (i) GENERAL COMMON EXPENSE ACCOUNT to which shall be credited collection of that portion of the common expense assessments received for defraying the costs of operating the Condominium on a day-today basis, including normal maintenance and repairs, insurance and related charges;
- (ii) CURRENT ALTERATION AND IMPROVEMENT ACCOUNT to which shall be credited that portion of any common
  charge assessment to be allocated to current alterations and improvements for the Condominium;
- (iii) CAPITAL RESERVE ACCOUNT to which shall be credited all sums collected which are to be allocated

# BOOK 25 PAGE 654

for capital expenditures for the reconstruction, repair and replacement of Common Areas and Facilities at a future date. This fund shall be maintained in a separate interest bearing account with a national bank located in Hendricks County, Indiana, and no funds herein may be used for usual and ordinary repair expenses.

All sums collected by the Association, either as assessments of the common charges or special assessments, during any fiscal year and allocated to the General Common Expense Account or to the Current Alteration and Improvement Account or to any other account from which non-capital expenditures may be made, in excess of expenditures during such fiscal year made from or chargeable to said account or accounts may, at the election of the Board, either be transferred to the Capital Reserve Account or applied against and reduce the subsequent year's assessment. All amounts credited to said Capital Reserve Account shall be contributions to capital and shall be held in trust by the Association for future expenditures of a capital nature and shall serve to reduce the assessments required for said capital expenditures.

## ARTICLE VIII

# AMENDMENT TO BY-LAWS

Except as otherwise provided herein, these By-Laws may be modified or amended by the vote of seventy-five percent (75%) in common interest of all Co-Owners, at a meeting of the Association duly held for such purpose. Provided, however, that the provisions of ARTICLE III, Sections 2 and 8, ARTICLE IV, Sections 2, 3, and 4, ARTICLE VI, Sections 1 and 14, insofar as they affect the rights of Declarant, and this ARTICLE VIII may not be amended without the consent in writing of Declarant, so long as Declarant shall be the owner of one or more Units. No such amendment shall become operative unless and until the same is set forth in an amendment to the Declaration and duly recorded in the office of the Recorder for Hendricks County, Indiana. Provided, however, that the Board of Administrators shall give written notice to all holders of mortgages on Condominium Units of such amendment at least thirty (30) days prior to the effective date of such amendment.

# EXHIBIT "C"

## FAIRWAY HILLS - PHASE I MASTER SITE PLAN

The plat of survey for Fairway Hills-Phase I dated Japuary 74, 1978 prepared by Sol C. Miller , Registered Land Surveyor, entitled "Master Site Plan, Fairway Hills-Phase I" and consisting of one sheet, which was attached to this Declaration at the time it was filed for record in the Office of the Recorder of Hendricks County, Indiana in Horizontal Property Plan File No. 1 as Instrument No. \$11200 , and said Master Site Plan as so filed is incorporated herein by reference as though fully set out herein.

# BOOK 75 PAGE 655

# EXHIBIT "D"

# FAIRWAY HILLS - PHASE I PLANS & SPECIFICATIONS

The Plans and outline specifications for Fairway Hills-Phase I more particularly described in the architectural and related drawings for Fairway Hills-Phase I were attached to this Declaration at the time it was filed for record and are duly filed in the Office of the Recorder for Hendricks County, Indiana in Horizontal Property Plan File No. 1 as Instrument No. 1/201, reference to which is hereby made and said Plans and outline specifications as so filed are incorporated herein by reference as though fully set out herein.

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BOOK 75 PAGE 65 6

# EXHIBIT "F"

#### FAIRWAY HILLS EXPANSION AREA

Part of the West Half of the Southwest Quarter of Section 9, Township 15 North, Range 1 East, and part of the East Half of the Southeast Quarter of Section 8, Township 15 North, Range 1 East in Hendricks County, Indiana, being more particularly described as follows:

Commencing at the Southeast corner of the West Half of said Southwest Quarter Section; thence North 00°09'17" East on and along the East line thereof a distance of 1073.365 feet; thence North 89°50'44" West a distance of 339.930 feet to a point on the East line of PRESTHICK ONE as recorded in Plat Book 1. Pages 1 to 16 in the Office of the Recorder of Hendricks County; thence North 03°39'14" East on and along said East line of PRESTWICK ONE a distance of 359.305 feet; thence North 01°19'25" West on and along the East line of PRESTWICK ONE a. distance of 412.680 feet to the Northeast corner of PRESTWICK ONE; thence North 60°28'49" West on and along the Northeasterly line of PRESTWICK ONE a distance of 472.000 feet; thence South 89°10'32" West on and along the North line of PRESTWICK ONE a distance of 120.522 feet to the Northwest corner of PRESTWICK ONE; thence South 00°49'28" East on and along the West line of PRESTWICK ONE 86.495 feet to the point of beginning of this description; said point of beginning also being a point on a curve, said curve having a radius of 81.978 feet and being subtended by a long chord having a bearing of South 57°08'34" East and a length of 51-977 feet; thence Southeasterly on and along said curve and along the Westerly line of PRESTWICK ONE a distance of 52.889 feet to the P.T. of said curve; thence South 38°39'37" East on and along the Westerly line of PRESTWICK ONE a distance of 208.645 feet; thence South 54°06'50" West on and along the Westerly line of PRESTWICK ONE a distance of 24.835 feet; thence South 88°37'll" West on and along the Westerly line and along the prolongation West of said . Westerly line of PRESTWICK ONE a distance of 143.024 feet; thence South 46°39'47" West a distance of 108.641 feet; thence South 63°01'11" West a distance of 92.576 feet; thence South 41°11'53" West a distance of 65.000 feet; thence South 53°49'57" West a distance of 152.835 feet; thence North 42°31'03" West a distance of 21.423 feet; thence South 81°21'50" West a distance of 184.413 feet; thence South 32°37'09" East a distance of 59.363 feet; thence South 58°24'41" West a distance of 214.494 feet; thence North 89°00'00" West a distance of 54.000 feet; thence North 02°00'00" West a distance of 152.000 feet; thence North 83°00'49" West a distance of 74.040 feet; thence North 09°19'31" East a distance of 240.681 feet; thence North 21°23'34" West a distance of 104.178 feet; thence North 00°00'00" East a distance of 260.000 feet; thence North 90°00'00" East a distance of 105.000 feet; thence North 00°00'00" East a distance of 28.000 feet; thence North 90°00'00" East a distance of 150.000 feet: thence South 00°00'00" West a distance of 40.000 feet; thence North 90°00'00" East a distance of 255.000 feet; thence South 00°00'00" West a distance of 15.000 feet; thence North 90°00'00" East a distance of 252.829. feet to a point on the West line of an access easement as recorded as Instrument Number 9010, in Book 72, pages 178 to 181 in the Office of the Recorder of Hendricks County; thence South 00°49'28" East on and along the West line of said easement a distance of 89.864 feet; thence South 89°10'32" East on and along the South line of said easement a distance of 32.000 feet to the point of beginning, containing in all 10.600 acres. Subject to all legal highways, rights-of-way and easements of record.

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BOOK 75 PAGE 657

Commencing at the Southeast corner of said quarter-quarter Section; thence N. 00°09'17" £. on and along the East line of said quarter-quarter Section a distance of 379.340 feet; thence N. 89°50'43" W. a distance of 315.870 feet to the point of beginning of this description; thence S. 74°00'00" W. a distance of 212.550 feet; thence S. 82°30'00" W. a distance of 255.420 feet; thence N. 80°00'00" W. a distance of 107.980 feet; thence N. 12°30'00" E. a distance of 179.580 feet to a point that is S. 00°21'42" E. and 777.758 feet from the most Southerly point of Fairway Hills-RA Phase II, Section 1; thence N. 55°30'00" E. a distance of 205.420 feet; thence N. 74°30'00" E. a distance of 163.310 feet; thence S. 34°00'00" E. a distance of 56.770 feet; thence S. 21°12'35" E. a distance of 92.705 feet to the point of beginning, containing in all 2.9826 acres, subject however to all legal highways, rights-of-way and easements of record.

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BOOK /- PAGE 89

PULES & REGULATIONS OF THE FAIRWAY HILLS ASSOCIATION OF COMMERS, INC. PERTAINING TO FAIRWAY HILLS HORIZONTAL PROPERTY REGIME

THESE RULES AND REGULATIONS WERE PROMULGATED BY THE FAIRWAY HILLS ASSOCIATION OF OWNERS, INC. ("ASSOCIATION") ON THE 2Ach DAY OF May 1990.

#### WITNESSES THAT:

WHEREAS, Pairway Hills Horizontal Property Regime ("Regime") was established by a certain Declaration recorded on Fabruary 15, 1978, as Instrument No. 11199, Book 75, Page 599, in the Office of the Recorder of Hendricks County, Indiana, and was last amended in substance by a certain Fifth Amendment to Declaration recorded March 11, 1980, as Instrument No. 1976, Book \$2, Page 586, in the Office of the Recorder of Hendricks County, Indiana (hereafter, "Declaration"); and

WHEREAS, certain modifications and additions have been made in the past by owners of condominium units at Fairway Hills, including screened porches, which have varied greatly in style and appearance; and

WHEREAS, the Association, acting through its Board of Directors, desires to insure that all future construction by owners of condominium units at Fairway Hills of screened porches, glass enclosed porches, wooden decks, and glass enclosed entrances conform with written architectural standards in order to promote uniformity in appearance; and

WHEREAS, unit owners currently are required by the By-Laws to obtain the prior written consent of the Association's Board of Directors prior to making any structural additions, alterations, or improvements affecting the exterior portion or outward appearance of such owner's unit;

NOW, THEREFORE, the Association promulgates the following rules and regulations:

1. There are hereby added to the Association's Rules and Regulations new rules pertaining to screened porches, glass enclosed porches, wooden decks, and glass enclosed entrances, which provide as follows:

# 1. PROCEDURE FOR ARCHITECTURAL CHANGES

Construction Standards: Each owner of a condominium unit at Fairway Hills who desires to construct a screened porch, a glass enclosed porch, a wooden deck, or a glass enclosed entrance, should review the Association's Architectural Standards, Copies of which are retained by the Association's President and the Association's property manager. Upon request, the Association or property manager will provide a copy of said Architectural Standards to the owner at no charge.

Blue Prints: Each owner of a condominium unit at Fairway Hills who desires to construct a screened porch, a glass enclosed porch, a wooden deck, or a glass enclosed entrance shall obtain a copy of detailed Blue Prints prepared by the Association, if any, for construction of the above modifications or additions. Copies of said Blue Prints may be obtained from the Property Manager of the Association at a cost of \$10.00 each (This cost may be increased if desmet ancessary by the Association.) Any variation from the Architectural Standards or Blue Prints may be done only with Board approval.

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# BOOK/2/ PAGE 896

- C. Written Request: Each owner must submit in advance a written request for the medifications described above to the President of the Association and the Association's current property management company. The written request shall set forth the desired modification, identify the contractor who will perform the work, and the dates the owner would like the request to be heard as described below. The request must include detailed plans and specifications, including blue prints, for the modification or addition, unless the owner affirmatively states that construction shall be strictly in accord with the Architectural Standards and Blue Prints described above. All work must be performed by a licensed contractor,
- D. Personal Appearance: After first submitting the written request, the owner or his representative must personally present the request for the modification or addition at the Association's Board of Directors Meeting, second Tuesday of each month.
- E. Written Approval: The Association shall give written approval of requested modifications or additions if all terms and conditions herein are fulfilled. If the Association disapproves of such request, such disapproval shall be in writing and shall be given to the owner. Said notice of disapproval will give the reasons for disapproval.
- F. Building Permits: It is the owner's responsibility to obtain all necessary building permits from the county or other governing entity prior to construction. Approval by the Association of any architectural changes pursuant to the procedures herein does not alleviate the owner's obligation to any state, county or municipal entity.
- G. Any request for the installation of a modification or addition as contemplated herein to condominium units at Fairway Hills will be considered on an individual basis by the Board of Directors; the prior approval by the Board for other units does not constitute approval of an architectural modification or addition for any other units at Fairway Hills.

# 2. OWNERSHIP INTÉRESTS AND MAINTENANCE RESPONSIBILITIES

- A. Pursuant to Paragraph 10 of the "Declaration of Expandable Condominium for Fairway Hills--Phase I Condominium' filed in the Hendricks County Recorder's Office on February 15, 1878, Book 75, Page 59, as Instrument Ho. 11199, and all amendments thereto, the owner of a condominium unit in Fairway Hills merely has an exclusive and irrevocable license to use and occupy the Limited Common Areas and Facilities associated with and/or assigned to such owner's unit. Approval by the Association pursuant to the procedures herein for architectural modifications or additions parteining to acreened porches, glass enclosed porches, wooden decks, and glass enclosed entrances does not change the extent of any owner's interest in any real property located within the Fairway Hills Horizontal Property Regime. As such, no unit owner's Percentage Interest as reflected in Exhibit E to the Declaration will change as a result of any additions or modifications contemplated herein.
- B. Pursuant to Article VI, Section 10(s) of the By-Laws of the Association, any owner who makes a modification or addition as contemplated herein will be wholly responsible for maintenance, repair and replacement of

BOOK /-/ PAGE 897

the modification or addition approved herein, including the exterior and roof, which will be built upon the Limited Common Elements and will be done in a manner that conforms to the Association By-Laws. Notwithstanding the above, the Association will be responsible for repainting any exterior portions of such modification or addition in order to insure harmony with surrounding structures. (The owner shall be responsible for the initial painting of the exterior of the modification or addition.) In the event the owner fails to properly maintain, repair or replace the addition or modification within thirty (30) days of written demand by the Board of Directors, the Association, in its discretion, may undertake the necessary repairs or replacement and the costs thereof shall be essessed against the Unit owned by such owner.

#### CONSTRUCTION

- A. All construction work shall be completed in accordance with the plans and specifications so approved by the Board. Additionally, all such work must be completed within six (6) months of approval.
- B. No such additions or modifications shall encrosch upon or in any way impair access to or use of any other Unit, any Limited Common Elements serving any other Unit, or any Common Elements.

# 4. OWNER'S LIABILITY FOR COSTS AND DAMAGES

- A. The owner of any condominium unit at Pairway Hills who receives approval from the Association shall pay any and all costs and expenses associated with such addition or modification, including without limitation, any and all legal, engineering, architectural, material, labor, or other construction costs.
- B. The owner of any unit which obtains approval for a modification or addition as contemplated herein shall be responsible for all costs arising from any damage to any persons, property or grounds (including but not limited to buildings, patios, balconies, driveways, fences, lawns, trees, or such item or area found to be injured, damaged or eliminated) as a result of any repair, construction, or replacement, as they are completed by the owner, owner's representatives, or persons contracted by owner for such purpose.
- C. The owner of any unit who obtains approval for a modification or addition as contemplated herein shall be responsible for the actions or omissions of any contractor utilized by owner. Such contractors shall in no way be an employee or agent of the Association or the Association's management company.
- D. In the event the owner of a modified unit or the owner's beirs, grantess, successors, executors, administrators, devisees, and assigns violate any of the terms of this agreement, the violator will be responsible for all legal costs incurred by the Association, including reasonable attorney fees, to enforce the terms and conditions agreed to herein through an action for injunctive relief, to recover sums due for damages, or both. Said costs shall be assessed against the unit owned by the then owner of said unit.

#### 5. GEMERAL PROVISIONS

BOOK /62/ PAGE 898

- A. These rules and regulations and the burdens and benefits imposed hereby shall be deemed to run with the land so as to bind the heirs, grantees, successors, executors, administrators, devisees, and assigns of all owners of condominium units located within the Fairway Hills Horizontal Property Regime.
- B. The owner of any unit which obtains approval for a modification or addition as contemplated herein shall release from all liability whatsoever and agree to hold harmless the Fairway Hills Association of Owners, Inc., its directors, officers, agents, and employees, and the Association's property manager, its directors, officers, agents, and employees for any and all damages which may arise from the construction of the modification or addition as well as any occurrences or accidents which occur on the modification or addition which is being approved herein.
- C. These Rules shall not apply to porches, decks, or entrances constructed prior to the date hereof if such structures were approved by the Association's Board of Directors at that time. However, if any of such porches, decks, or entrances need to be replaced or substantially repaired after the effective date hereof, these Rules shall apply.
- b. Nothing contained herein, in the Architectural Standards, or in the Blue Prints constitutes a representation by the Association or the Association's property manager concerning the structural integrity or building code compliance of plans approved hereunder. The sole basis for the Association's approval of plans is based upon purely seathetic considerations in order to promote uniformity in design and appearance.
- E. These Rules shall become effective five (5) days after the date of execution herein so that the Association can furnish copies of these Rules and Regulations to each owner of a condominium unit at Fairway Hills in advance.
- F. These Rules may be amended by the Association at any time in accordance with the Declaration and By-Laws-
- All terms appearing as defined terms herein, unless otherwise expressly defined herein, shall have the respective meanings essigned to such terms in the Declaration.
- 3. The Association bereby represents and certifies that the facts set forth in the foregoing recitals are true and correct, that the Association is duly authorized to execute and record these Rules and Regulations and that the person executing these Rules and Regulations has been fully authorized and ampowered to act on behalf of the Association for such purpose.

IN WITHEST WHEREOF, the Association has executed these Rules and Regulations as of the date first above written.

PAIRWAY HILLS ASSOCIATION OF CHMERS, INC.

Date: 4/5/80

James K Calling, President

Attest:

William of Hanking

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STATE OF INDIANA ) SS COUNTY OF HENDRICKS)

BOOK 42 / PAGE 899

Before me, a Hotary Public in and for said County and State, personally appeared James R. Collins, the President of Fairway Hills Association of Owners, Inc., a corporation organized and existing under the laws of the State of Indians, and acknowledged the execution of the foregoing instrument as such officer acting for and on behalf of said corporation, and who, having been duly sworn, stated that any representations therein contained are true and correct.

Witness my hand and Motarial Seal this 300 day of Mey 1990.

My Commission expires:

Vel Millie Church Botary Fublic County of Residence: Medicas

This instrument prepared by P. Thomas Murray, Jr., LENIS KAPPES FULLER & EADS, 1218 One American Square, Box 82053, Indianapolis, Indiana, 46282-0003, Telephone: (317) 639-1210.

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EULES & REGULATIONS OF THE FAIRWAY HILLS ASSOCIATION OF OWNERS, INC. PERTAINING TO FAIRWAY HILLS HORIZONTAL PROPERTY REGIME

THESE RULES AND REGULATIONS WERE PROMULGATED BY THE FAIRWAY HILLS ASSOCIATION OF OWNERS, INC. ("ASSOCIATION") ON THE DAY OF \_\_\_\_\_\_\_, 1990.

#### WITNESSETH THAT:

WHEREAS, Fairway Hills Horizontal Property Regime ("Regime") was established by a certain Declaration recorded on February 15, 1978, as Instrument No. 11199, Book 75, Page 599, in the Office of the Recorder of Hendricks County, Indiana, and was last amended in substance by a certain Fifth Amendment to Declaration recorded March 31, 1990, as Instrument No. 1976, Book 82, Page 586, in the Office of the Recorder of Hendricks County, Indiana (hereafter, "Declaration"); and

WHEREAS, Article VI, Section 17 of the By-Laws of the Association empowers the Board of Directors of the Association to promulgate rules and regulations concerning the use of the Condominium Units and the Common Areas and Facilities; and

WHEREAS, the Association has experienced problems pertaining to disobedience and nonobservance of the terms and conditions of the Association's Declaration, By-Laws, and Rules and Regulations by individuals who lease Condominium Units in Fairway Hills on a short term basis; and

WHEREAS, the Association's Common Areas and Facilities have been damaged at various times by individuals who lease Condominium Units in Fairway Hills on a short term basis, due to an apparent lack of respect of property in general; and

WHEREAS, the Association, acting through its Board of Directors, desires to regulate the terms and conditions of leases entered into between Co-Owners of Condominium Units in Fairway Hills with other parties and to prohibit short-term leases; and

WHEREAS, the Association desires to guard against and to take all reasonable steps to prevent the potential for injuries as a result of the unauthorized use of the roads and streets of Fairway Hills, particularly due to the narrowness of the roads and the hilly topography of Fairway Hills; and

WHEREAS, all roads and streets within the Fairway Hills Regime are private roads and are not dedicated to the public; and

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WHEREAS, the Association, acting through its Board of Directors, desires to regulate the use of the Regime's private roadways in order to ensure the safety of all Fairway Hills Co-Owners, residents and visitors;

 ${\tt MOW}, \ {\tt THEREFORE}, \ \ {\tt the} \ {\tt Association} \ {\tt promulgates} \ {\tt the} \ {\tt following} \ {\tt Rules} \ {\tt and} \ {\tt Regulations}:$ 

- There are hereby added to the Association's Rules and Regulations new rules pertaining to the leasing of Condominium Units and the use of Fairway Hills roadways, which provide as follows:
  - 1. Leasing. No Condominium Unit within the Fairway Hills Regime shall be rented for transient or hotel purposes or, without the prior written approval of the board of directors, for any period less than than twelve (12) months. No portion of any condominium unit (other than the entire unit) shall be leased for any period. Any Co-Owner of any Condominium Unit who shall lease such Unit shall, promptly following the execution of any such lease, forward a conformed copy thereof to the board of directors. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the Condominium Unit shall be subject and subordinate in all respects to the provisions of the Declaration and By-Laws of the Association and to such other Rules and Regulations relating to the use of the Condominium Units and the Common Areas and Facilities as the board of directors may from time to time promulgate. The provisions of this Rule shall not apply to any institutional mortgages of any Condominium Unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sals or other judicial sale or as a result of a proceeding, arrangement, or deed in lieu of foreclosure. This Rule does not apply to any lease executed prior to the effective date of this Rule or to any remewals provided in such leases. However, all Co-Owners of Condominium Units in Fairway Hills shall promptly deliver to the board of directors copies of all existing leases which the Co-Owners currently have with tenants.
  - 2. Use of Paved Streets and Roads. No skateboards, motor scooters, sleds, skates, ell-terrain vehicles (ATV's), or similar devices or vehicles, or any unlicensed vehicle shall be permitted upon the streets and roads within Vairway Hills. The use of said roads is strictly limited to licensed motor vehicles.
- All terms appearing as defined terms herein, unless otherwise expressly defined herein, shall have the respective meanings assigned to such terms in the Declaration.

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3. The Association hereby represents and certifies that the facts set forth in the foregoing recitals are true and correct, that the Association is authorized to execute these Rules and Regulations and that the person executing these Rules and Regulations has been fully authorized and empowered to act on behalf of the Association for such purpose.

IN WITHESS WHEREOF, the Association has executed these Rules and Regulations as of the date first above written.

Fairway Hills Association of Owners, Inc.

James R. Collins, President

Vice President

STATE OF INDIANA

SS:

COUNTY OF MARSON

Refore me the undersigned, a Notary Public, personally appeared of College Man. Manually and acknowledged the execution of the foregoing instrument this day of College 1990.

Date: 38 4 August, 1910

Worker of Woods

Notary Public

DONNA L. Noody Printed

My Commission Expires:

This instrument prepared by P. Thomas Murray, Jr., LEMIS KAPPES FULLER & BADS, 1210 One American Square, Box 82053, Indianapolis, Indiana 46282-0003.

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