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CODE OF BY-LAWS
OF
THE OVERLOOK AT WILLIAMS CREEK
HORIZONTAL PROPERTY REGIME

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James H. Stewart
CLERK OF DISTRICT COURT
SHERMAN COUNTY AUDITOR

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CODE OF BY-LAWS
OF
THE OVERLOOK AT WILLIAMS CREEK
HORIZONTAL PROPERTY REGIME

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CODE OF BY-LAWS

OF

THE OVERLOOK AT WILLIAMS CREEK

HORIZONTAL PROPERTY REGIME

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration creating The Overlook at Williams Creek Horizontal Property Regime 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, restrictions and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association.

Section 1.02. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy an Apartment or any part of the Property, shall be subject to the rules, restrictions, terms and conditions set forth in the Declaration, these By-Laws and the Act.

ARTICLE II

Meetings of Association

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

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Section 2.02. Annual Meetings. The annual meeting of the members of the Association shall be held on the first Monday of June in each calendar year. At the annual meeting the Owners shall elect the Board of Managers of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the members of the Association may be called by resolution of the Board of Managers or upon a written petition of a majority of the Owners. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. Notice and Place of Meetings. All meetings of the members of the Association shall be held at the Clubhouse. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Owner not less than fourteen (14) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Association. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. Each Owner shall be entitled to cast one vote on each matter coming before the meeting.

(b) Multiple Owner. Where the Owner of an Apartment constitutes more than one person, or is a partnership, there shall only be one voting representative entitled to the vote allocable to that Apartment. At the time of acquisition of title

to an Apartment by a multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the Secretary of the Association an irrevocable proxy appointing one of such persons or partners as the voting representative for such Apartment, which shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies or such appointment is otherwise rescinded by order of a court of competent jurisdiction or the Owner no longer owns such Apartment. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section 2.05, which shall not constitute a permanent relinquishment of his right to act as voting representative for the Apartment.

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

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

(e) Quorum. Except where otherwise expressly provided in the Declaration, these By-Laws or the Indiana Horizontal Property Act, the Owners representing thirty-three percent (33%) of the vote shall constitute a quorum at all meetings. The term majority of Owners or majority of vote, as used in these By-Laws,

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shall mean not less than fifty-one per cent (51%) of the Owners at such meetings.

(f) Conduct of Meeting. The Chairman of the meeting shall be the President of the Association. He shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(1) Reading of Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

(2) Treasurer's Report. The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.

(3) Budget. The proposed budget for the current calendar year shall be presented to the Owners for approval or amendment.

(4) Election of Board of Managers. Nominations for the Board of Managers may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least ten (10) days prior to the date of the annual meeting. Voting for the Board of Managers will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. The foregoing is subject to the provisions of Section 3.02.

(5) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least ten (10) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the Percentage Vote.

(6) Adjournment.

ARTICLE III

Board of Managers

Section 3.01. The affairs of the Association and The Overlook at Williams Creek shall be governed and managed by the

Board of Managers (herein collectively called "Board" or "Managers" and individually called "Manager"). The Board of Managers shall be composed of three persons. No person shall be eligible to serve as a Manager unless he is an Owner or Declarant, or is an attorney, agent or employee of Declarant.

Section 3.02. Initial Board of Managers. The initial Board of Managers shall be G. C. Templeton, Jr., Mary Pat Templeton and Charles E. Wilson, all of whom are the Declarant or representatives of Declarant. The initial Board may hold their office until the first to occur of January 1, 1977 or the sale by the Declarant or not less than 150 Apartments in The Overlook at Williams Creek; provided, however, the initial Board of Managers shall replace Charles E. Wilson with an Owner at the earliest practicable date who shall also be deemed to be a member of the initial Board of Managers.

Section 3.03. Additional Qualifications. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner, or a partner or an officer or trustee shall be eligible to serve on the Board of Managers, except that no single Apartment may be represented on the Board of Managers by more than one person at a time.

Section 3.04. Term of Office and Vacancy. Subject to the provisions of Section 3.02: The Board of Managers shall be elected at each annual meeting of the Association. The initial Board of Managers shall be deemed to be elected as the Board of Managers at each annual meeting until the expiration of the time in Section 3.02. Managers shall hold office for a term of one (1) year commencing on July 1 and until their successors have been duly elected and qualified. Any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining

Managers or by vote of the Owners if a Manager is removed in accordance with Section 3.05 of this Article III.

Section 3.05. Removal of Managers. A Manager or Managers except the initial Board of Managers may be removed with or without cause by vote of a majority of the Owners at a special meeting of the Owners duly called and constituted. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Manager so elected shall serve until the next annual meeting of the Owners or until his successor is duly elected and qualified.

Section 3.06. Duties of the Board of Managers. The Board of Managers shall provide for the administration of The Overlook at Williams Creek Horizontal Property Regime, the maintenance, upkeep and replacement of the Common Areas and Limited Areas, and the collection and disbursement of the Common Expenses. These duties include, but are not limited to:

- (a) protection, surveillance and replacement of the Common Areas and Limited Areas;
- (b) procuring of utilities used in connection with The Overlook at Williams Creek removal of garbage and waste, and snow removal from the Common Areas;
- (c) landscaping, painting, decorating and furnishing of the Common Areas and Limited Areas, the exterior of the Buildings, garages and walls;
- (d) surfacing, paving and maintaining streets, parking areas, exterior of garages and sidewalks;
- (e) assessment and collection from the Owners of the Owner's pro rata share of the Common Expenses;
- (f) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
- (g) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the annual budget;

- (h) keeping a current, accurate and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by an Owner at any time during normal business hours.

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

- (a) to employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;
- (b) to purchase for the benefit of the Owners such equipment, materials, labor and services as may be necessary in the judgment of the Board of Managers;
- (c) to procure and maintain in adequate amounts for the benefit of the Owners fire and extended coverage insurance covering the Buildings and the Property to the full insurable value thereof together with "all risk"-coverage and insurance amounts for the "full replacement value", if economically available, and to procure public liability and property damage insurance and Workmen's Compensation insurance, if necessary, for the benefit of the Owners and the Association;
- (d) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Managers may be necessary or desirable in connection with the business and affairs of The Overlook at Williams Creek;
- (e) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;
- (f) to open and maintain a bank account or accounts in the name of the Association;
- (g) to adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation and enjoyment of the Property.

Section 3.08. Limitation on Board Action. The authority of the Board of Managers to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500.00 without obtaining the prior approval of a majority of Owners, except in the following cases:

- (a) contracts for replacing or restoring portions of the Common Areas or Limited Areas damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
- (b) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and
- (c) expenditures necessary to deal with emergency conditions in which the Board of Managers reasonably believes there is insufficient time to call a meeting of the Owners.

Section 3.09. Compensation. No Manager shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of the Owners.

Section 3.10. Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of Managers. The Secretary shall give notice of regular meetings of the Board to each Manager personally or by United States mail at least five (5) days prior to the date of such meeting.

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

Section 3.11. Waiver of Notice. Before any meeting of the Board, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Manager at a meeting shall,

as to such Manager, constitute a waiver of notice of the time, place and purpose thereof. If all Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

Section 3.13. Non-Liability of Managers. The Managers shall not be liable to the Owners for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Managers, except for their own individual willful misconduct, bad faith or gross negligence. The Owners shall indemnify and hold harmless each of the Managers against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of The Overlook at Williams Creek, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or By-Laws. It is intended that the Managers shall have no personal liability with respect to any contract made by them on behalf of The Overlook at Williams Creek or the Association and that in all matters the Board is acting for and on behalf of the Owners and as their agent. The liability of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Managers shall be limited to such percentage of the total liability or obligation thereunder as is equal to his Percentage Interest. Every contract made by the Board of the Managing Agent on behalf of The Overlook at Williams Creek shall provide that the Board of Managers and the Managing Agent, as the case may be, is acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners and then only to the extent of their Percentage Interest.

Section 3.14. Additional Indemnity of Managers. The Owners shall indemnify any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Manager of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Manager is liable for gross negligence or misconduct in the performance of his duties. The Owners shall also reimburse to any such Manager the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Owners that such Manager was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Manager, no Manager shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Manager relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent of The Overlook at Williams Creek or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Manager had actual knowledge of the falsity or incorrectness thereof; nor shall a Manager be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Managers.

ARTICLE IV

Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President,

Secretary and Treasurer, all of whom shall be elected by the Board. The Managers may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

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

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

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

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

Section 4.06. The Treasurer. The Board shall elect from among the Managers a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Association. The Treasurer shall not make any payments except on the basis of a voucher which shall be signed by him and one other officer.

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

ARTICLE V

Assessments

Section 5.01. Annual Accounting. Annually, after the close of each calendar year and prior to the date of the annual

meeting of the Association, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a Certified Public Accountant then serving the Association, which statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year.

Section 5.02. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board of Managers shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total amount of the Common Expenses for the ensuing year and furnish a copy of such proposed budget to each Owner prior to the annual meeting. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the ensuing calendar year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority of the vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved at such meeting and provided further that until the Annual Budget is adopted the Managers are authorized to collect and expend monies only based on the prior years budget.

Section 5.02.01. Water Costs. The Board of Managers in their complete discretion may in connection with the proposed Annual Budget referred to in Section 5.02, estimate water consumption based on the average water consumption of an Indianapolis family as determined by the Indianapolis Water Company. At the end of each year should the above procedure over estimate water consumption then the Board of Managers may apply such excess to the following year's budget or refund it to the Owners.

Section 5.01. Regular Assessments. The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget,

contain a proposed assessment against each Apartment based on the Percentage Interest of each Apartment. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against each respective Apartment (herein called the "Regular Assessment"). The Regular Assessment against each Apartment shall be paid in equal quarterly installments, commencing on the first day of January of such calendar year and quarterly thereafter through and including the following October 1. Payment of the quarterly installments of the Regular Assessment shall be made to the Board of Managers or the Managing Agent, as directed by the Board of Managers; provided, however, Owners may elect to pay quarterly assessments semi-annually or annually, in advance. The Regular Assessment for the calendar year shall become a lien on each separate Apartment as of January 1 of such calendar year.

Section 5.04. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Indiana Horizontal Property Act, the Board of Managers shall have the full right, power and authority to make special assessments not in excess of \$2,500.00 per each such occurrence, which, upon resolution of the Board, shall become a lien on each Apartment, prorated in accordance with the Percentage Interest of each Apartment (herein called "Special Assessment").

Section 5.05. Failure of Owner to Pay Assessments. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular or Special Assessment when due, the lien for such

Assessment on the Owner's Apartment may be filed and foreclosed by the Board for and on behalf of the Association as provided by law. In any action to foreclose the lien for Assessments, the Owner and occupant shall be jointly and severally liable for the payment to the Association of reasonable rental for such Apartment, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Apartment and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Regular or Special Assessment. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Regular or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular or Special Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Apartment.

Section 5.06. Maintenance and Repairs. Every Owner shall promptly perform all maintenance and repair within his own Apartment, which, if neglected, would affect the value of the Property. Maintenance and repairs for which Owner is responsible to make at his expense include, but are not necessarily limited to, water, gas, plumbing and electric lines which service the Owner's Apartment only and are located within exterior walls of the Apartment including any lines in the area from below the floor to above the roof if they are within an extension of the exterior walls of the Apartments; appliances to include garbage disposals, dishwashers, stoves, ranges and refrigerators, telephones, air conditioning and heating equipment, doors, screens, windows, to include exterior and interior of all glass and screen surfaces, lamps interior and exterior grouting and/or caulking and all other accessories appurtenant to the Apartment.

ARTICLE VI

Restrictions on Use

Section 6.01. The following restrictions on the use and enjoyment of the Apartment, Common Areas, Limited Areas and the Property shall be applicable to The Overlook at Williams Creek and in addition to those set forth in the Declaration. These are as follows:

(a) All Apartments shall be used exclusively for residential purposes and the occupancy for a single family, except for the Clubhouse Apartment.

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

(c) Nothing shall be done or kept in any Apartment or in the Common Areas or Limited Areas which will cause an increase in the rate of insurance on any Building or the contents thereof. No Owner shall permit anything to be done or kept in his Apartment or in the Common Areas or Limited Areas which will result in a cancellation of insurance on any Building or contents thereof, or which would be in violation of any law or ordinance.

(d) No waste shall be committed in the Apartment, Common Areas or Limited Areas.

(e) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a Building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any Building without the prior consent of the Board.

(f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Apartment or in the Common Areas or Limited Areas, except that small pet dogs, cats or customary household pets may be kept in an Apartment, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash and while attended by its owner and an Owner shall be fully liable for any damage to the Common Areas or Limited Areas caused by his pet. The tethering of pets in an unfenced area does not constitute "attended." Pets should be walked in an area not common to residents and pet leavings on the main grounds and walks should be picked up by the pet's owner and disposed of in a proper receptacle. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Property upon ten (10) days' written notice from the Board to the respective Owner.

(g) Nothing shall be done or permitted in any Apartment which will impair the structural integrity of any Building or which would structurally change any Building, except as otherwise provided in the Declaration or these By-Laws; nor shall the premises be used in any unlawful manner or in any manner to cause injury to the reputation of the Apartment or to be a nuisance, annoyance, inconvenience or damage to other tenants of the Building or neighborhood, including without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, T-V, loud speakers, electrical equipment, amplifiers or other equipment or machines or loud persons.

(h) No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common

Areas. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials.

(i) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property. The foregoing shall not apply to the Clubhouse Apartment.

(j) No "for sale", "for rent" or "for lease" signs or other window or advertising display shall be maintained or permitted on any part of the Property or any Apartment without the prior consent of the Board; provided, however, that the right is reserved by the Declarant, his heirs, administrators and executors and his successors and assigns should such successors and assigns purchase more than one Apartment, and the Board to place or allow to be placed "for sale" or "for lease" signs on or about any unsold or unoccupied Apartments.

(k) All Owners and members of their families, their guests, or invitees, and all occupants of any Apartment or other persons entitled to use the same and to use and enjoy the Common Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Areas and Limited Areas.

(l) No boats, campers, trailers of any kind, buses, mobile homes, motor cycles, mini bikes, or any other unconventional vehicles of any description, shall be permitted, parked or stored anywhere within the Property; provided, however, that nothing herein shall prevent the parking or storage of such vehicles completely enclosed within a garage.

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

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(n) No Owner shall be allowed to place or cause to be placed in the lobbies, vestibules, stairways, hallways or areas of a similar nature and used for a similar purpose, both Common and Limited, any furniture, packages or objects of any kind, without the consent of the Board of Managers.

(o) All trash or refuse shall be stored in appropriate containers inside the Apartment (including garage) and made accessible for the programmed trash collection system established by the Board of Managers.

(p) Neither the Owners, nor their family, guests, invitees or employees shall park any vehicles on the street. All parking of such vehicles shall be in areas expressly reserved for parking.

Section 6.02. Right of Entry. An Owner or occupant of an Apartment hereby grants the right of entry to the Managing Agent or any other person authorized by the Board in case of any emergency originating in or threatening his Apartment or the Building in which it is located, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his Apartment for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.03. Right of Board to Adopt Rules and Regulations. The Board may promulgate such additional rules and regulations regarding the operation of the Property, including but not limited to the use of the Common Areas and Limited Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board, and

the Board shall cause copies of such rules to be delivered or mailed promptly to all Owners.

ARTICLE VII

Amendment to By-Laws

Section 7.01. These By-Laws may be amended by a vote of not less than fifty-one per cent (51%) of the Owners in a duly constituted meeting called for such purpose.

ARTICLE VIII

Mortgages

Section 8.01. Notice to Association. Any Owner who places a first mortgage lien upon his Apartment or the Mortgagee shall notify the Secretary of the Association and provide the name and address of the Mortgagee. A record of such Mortgagee and name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these By-Laws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration or these By-Laws shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of the Declaration or By-Laws or proxy granted to such Mortgagee in connection with the mortgage.

Section 8.02. Notice of Unpaid Assessments. The Association shall, upon request of a Mortgagee, a proposed mortgagee or purchaser who has a contractual right to purchase an Apartment, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular or Special Assessments against the Apartment, which statement shall be binding upon the Association and the Owners, and any Mortgagee or grantee of the Apartment

shall not be liable for nor shall the Apartment conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement.

ARTICLE IX

Insurance and Reconstruction

Section 9.01. If pursuant to Section 16(a) of the Declaration more than two thirds (2/3) of the Apartments are destroyed, then the insurance indemnity and the Apartments shall be distributed to the Owners of the Apartments in such Building according to the provisions of Section 16(c) (1), (2), (3), and (4) of the Declaration.

Section 9.02. If pursuant to Section 16(b) of the Declaration a Building is damaged and it is not insured or where the insurance indemnity is insufficient to cover the costs of reconstruction, then if a simple majority of the Owners of the Apartments in such Building decide to proceed with the repair and reconstruction of such Building, then the Board of Managers shall cause the Building to be reconstructed once it has received funds from such Owners and/or commitments from financial lenders which the Board of Managers deems sufficient and satisfactory to complete such construction. The costs of reconstruction of the Building shall be apportioned to each Owner based on the damage done to his particular Apartment. If such Owner fails to pay such amounts when the Board of Managers deems that they are necessary, then they shall be a Special Assessment against such Owner's Apartment which may be foreclosed as in the case of other Special Assessments. If the Board of Managers does not receive financial commitments or funds satisfactory to it in order to accomplish the reconstruction or if a majority of the owners of the Apartments within such Building do not agree to reconstruct such Building within ninety (90) days of the happening of such injury, then any insurance funds and the Building shall be distributed to the

Owners of the Apartments in such Building according to Section 16(c) (1), (2), (3) and (4) of the Declaration.

ARTICLE X

Clubhouse

Section 10.0. Notwithstanding anything contained in the Declaration, By-Laws or any Rules and Regulations to the contrary until two (2) years from the date hereof or the sale by the Declarant of at least eighty (80) Apartments and the paying of the regular assessments by the Owners of such Apartments, whichever first occurs, the use and operation of the Clubhouse shall be governed as follows:

1. No Owner other than Declarant shall be required to contribute to the maintenance and operation of the Clubhouse in his quarterly assessment more than Forty-five Dollars (\$45.00);
2. The Declarant shall provide during such period the balance of the funds necessary for the maintenance and operation of the Clubhouse; and
3. The Declarant shall have first priority and full discretion in the use of the Clubhouse during such period for his sales and promotion purposes and for the renting of such facility to outside parties which renting Declarant is authorized to do during such period and the rentals from which shall be the personal property of Declarant.

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