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DECLARATION OF HORIZONTAL
PROPERTY OWNERSHIP

The Timbers I
Horizontal Property Regime

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PROPERTY OWNERSHIP**

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74-16857

DECLARATION OF HORIZONTAL
PROPERTY OWNERSHIP

The Timbers I

Horizontal Property Regime
This Declaration, made this 14th day of March, 1974,

by CONWOOD LIMITED PARTNERSHIP, an Indiana limited
partnership, Declaration of Covenants and Restrictions

WHEREAS, the following facts are true:

- A. Declarant is the sole owner of the fee simple title to the real estate located in Marion County, Indiana, more particularly described in Exhibit A attached hereto and incorporated herein by this reference.
- B. This Declaration is a Supplementary Declaration as that term is defined in the Declaration of Covenants and Restrictions.
- C. Declarant, by execution of this Declaration, hereby creates a Horizontal Property Regime upon the parcel, subject to the provisions of the Horizontal Property Act of the State of Indiana and the terms and conditions of the Declaration of Covenants and Restrictions and this Declaration.

NOW THEREFORE, Declarant hereby makes this Declaration as follows:

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

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

(b) "Apartment" means one of the thirty-eight (38) living units constituting The Timbers I, each individual unit being more particularly described and identified on the Plans and in paragraphs 4 and 5 of this Declaration.

(c) "Architectural Review Board" means that entity established pursuant to paragraph 6 of the Declaration of Covenants and Restrictions.

(d) "Association" means the unincorporated association of Co-owners of The Timbers I, more particularly described in paragraph 11.

(e) "Board of Managers" means the governing body of the Association elected by the Co-owners in accordance with the By-Laws. The term "Board of Managers" as used herein and in the By-Laws, shall be synonymous with the term "Board of Directors" as used in the Act.

(f) "Building" means one of the seven (7) buildings on the Parcel in which Apartments are located. The Buildings are more particularly described and identified in the Plans and in paragraph 3 of this Declaration.

(g) "By-Laws" means the By-Laws of the Association providing for the administration and management of the Property as required by and in conformity with the provisions of the Act. A true copy of the By-Laws is attached to this Declaration and incorporated herein by reference.

(h) "Common Areas" means the common areas and facilities appurtenant to the Property as defined in paragraph 6 of this Declaration.

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

(j) "Community Area" means those areas of land and the facilities thereon which are (1) owned by the Corporation or located in the Tract but not in the Parcel and (2) are intended for the common use and enjoyment of members of the Corporation, and any utility service lines or facilities not maintained by a public utility company or governmental agency which are located on, over, or below, or cross through more than one (1) Parcel.

(k) "Co-owners" means the Owners of all included the Apartments.

(l) "Corporation" means The Timbers, Inc. an Indiana not-for-profit corporation.

(m) "Declarant" means Conwood Limited Partnership, the owner of the Property at the time of the filing of this Declaration, its successors and assigns to its interest therein, other than Owners purchasing Apartments by deed from Declarant (unless the conveyance indicates an intent that the grantees assume the rights and obligations of Declarant).

(n) "Declaration of Covenants and Restrictions" means the Declaration of Covenants and Restrictions of The Timbers Residential Community dated March 14, 1974, and recorded in the Office of the Recorder of Marion County, Indiana, as Instrument No. 174-16962, as amended from time to time.

(o) "Development Area" means the real estate described in Exhibit A to the Declaration of Covenants and Restrictions.

(p) "Insurance Trustee" means such bank with trust powers authorized to do business in Marion County, Indiana as the Board of Managers shall designate for the custody and disposition, as herein or in the By-Laws provided, of insurance proceeds and condemnation awards. The Insurance Trustee shall not be liable for payment of insurance premiums, the renewal or the sufficiency of insurance policies, nor for the failure to collect any insurance proceeds or condemnation awards. The duty of the Insurance Trustee shall be to receive such proceeds or awards as are paid and to hold the same in trust for the purposes herein and in the By-Laws stated, and for the benefit of the Co-owners and their Mortgagees as herein and in the By-Laws provided.

(q) "Limited Areas" means the limited common areas and facilities as defined in paragraph 7 of this Declaration.

(r) "Majority of Owners" means the Owners entitled to not less than fifty-one per cent (51%) of the Percentage Votes in accordance with the applicable percentage set forth in this Declaration.

(s) "Majority of the Percentage Vote" has the same meaning as Majority of Owners.

(t) "Mortgagee" means the holder of a first mortgage lien on an Apartment.

(u) "Owner" means a Person, including Declarant, who at any time owns the fee simple title to an Apartment.

(v) "Parcel" means the real estate described in Exhibit A which is a part of this Declaration.

(w) "Part of the Development Area" means any part of the Development Area which is not included in the Tract.

(x) "Percentage Interest" means the percentage of undivided interest in the fee simple title to the Common Areas and Limited Areas appertaining to each Apartment as specifically expressed in Exhibit B which is a part of this Declaration.

(y) "Percentage Vote" means that percentage of the total vote accruing to all of the Apartments which is appurtenant to each particular Apartment and accrues to the Owner thereof.

The Percentage Vote to which each Owner shall be entitled on any matter upon which the Co-owners are entitled to vote shall be the same percentage as the Percentage Interest appurtenant to such Owner's Apartment.

(z) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

(aa) "Plans" means the floor and building plans of the Buildings and Apartments prepared by A & E Engineering, Inc. certified by Raymond M. Stone, a registered engineer, under date of February 28, 1974, and a site plan of the Parcel and Buildings prepared and certified by Charles L. Thompson, a registered land surveyor, under date of March 6, 1974, all of which are incorporated herein by reference.

(bb) "Property" means the Parcel and appurtenant easements, the Apartments, the Buildings, improvements, and property of every kind and nature whatsoever, real, personal or mixed, located upon the Parcel and used in connection with the operation, use and enjoyment of The Owners I.

(cc) "Restoration" means construction or rebuilding of the Apartments, Common Areas and Limited Areas to the same condition as they

existed immediately prior to any damage or destruction and with the same type of architecture unless the Architectural Review Board determines that a different type of architecture would be appropriate.

(bb) "The Timbers I" means the name by which the Property and this Horizontal Property Regime shall be known. The address of The Timbers I is 4201 South Sherman Drive, Indianapolis, Indiana 46227.

(cc) "Tract" means the real estate which is subject to the covenants, restrictions, easements, charges and liens imposed by the Declaration of Covenants and Restrictions.

2. Declaration: Declarant hereby expressly declares that the Property shall be a Horizontal Property Regime in accordance with the provisions of the Act.

3. Description of Buildings: There are seven (7) Buildings, containing thirty-eight (38) Apartments on the Parcel as shown on the Plans. Each Building is identified and designated on the Plans and in Exhibit B to this Declaration by letter, commencing with Building A and concluding with Building G. The Buildings vary in height and are constructed over crawl spaces. The references in Paragraph 4 and in Exhibit B to square footage of each Apartment are for identification only and are only approximate figures. All Buildings and Apartments are built in accordance with the Plans which must be consulted for actual dimensions, including square footage.

4. Identification of Apartments: There are five (5) types of Apartments designated on the Plans and in Exhibit B by Apartment Designator Letters A through E. The types are as follows:

| Apartment | Description |
|-----------|---|
| A - Tower | 1-story - 1204 sq. ft. (2 bedrooms, 2 baths) |
| A - upper | 1-story - 1185 sq. ft. (2 bedrooms, 2 baths) |
| B | 2 stories - 1123 sq. ft. (2 bedrooms, 1 1/2 baths) |
| C | 1-story - 1130 sq. ft. (3 bedrooms, 2 baths) |
| D | 2 stories - 1134 sq. ft. (3 bedrooms, 2 baths) |
| E | 2 1/2 stories - 1763 sq. ft. (3 bedrooms, 2 1/2 baths) |

existed immediately prior to any damage or destruction and with the same type of architecture unless the Architectural Review Board determines that a different type of architecture would be appropriate.

(bb) "The Timbers I" means the name by which the Property and this Horizontal Property Regime shall be known. The address of The Timbers I is 4201 South Sherman Drive, Indianapolis, Indiana 46227.

(cc) "Tract" means the real estate which is subject to the covenants, restrictions, easements, charges and liens imposed by the Declaration of Covenants and Restrictions.

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4. Identification of Apartments: There are five (5) types of Apartments designated on the Plans and in Exhibit B by Apartment Designator letters A through E. The types are as follows:

| Apartment | Description |
|-----------|---|
| A - lower | 1 story - 1204 sq. ft. (2 bedrooms, 2 baths) |
| A - upper | 1 story - 1185 sq. ft. (2 bedrooms, 2 baths) |
| B | 2 stories - 1123 sq. ft. (7 bedrooms, 1 1/2 baths) |
| C | 1 story - 1305 sq. ft. (3 bedrooms, 2 baths) |
| D | 2 stories - 1334 sq. ft. (3 bedrooms, 2 baths) |
| E | 2-1/2 stories - 1763 sq. ft. (3 bedrooms, 2-1/2 baths) |

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CROSS REFERENCE

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FIRST AMENDMENT
TO
DECLARATION OF HORIZONTAL PROPERTY OWNERSHIP:

The Timbers I
Horizontal Property Regime

THIS FIRST AMENDMENT dated as of the 7th day of May, 1975, made by The Timbers I Homeowners Association, a voluntary association existing pursuant to The Indiana Horizontal Property Act,

WITNESSES THAT:

WHEREAS, the following facts are true:

1. The Declaration of Horizontal Property Ownership of The Timbers I Horizontal Property Regime was filed of record as Instrument No. 74-15967 in the office of the Recorder of Marion County, Indiana, on March 26, 1974.
2. Paragraph 22 of the Declaration provides that the same may be amended by vote of not less than 75% of the Percentage Vote and that any amendment shall become effective upon its recordation in the office of the Recorder of Marion County, Indiana.
3. This First Amendment has been approved by not less than 75% of the Percentage Vote.

NOW, THEREFORE, the Declaration is amended as follows:

1. The legal description attached to this First Amendment and marked "Exhibit A" is substituted for the legal description marked "Exhibit A" which is attached to and heretofore formed a part of the Declaration.
2. Subparagraph (aa) of Paragraph 1 is deleted and the following is substituted therefor:
 - (aa) "Plans" means the floor and building plans of the Buildings and Apartments prepared by A & E Engineering, Inc., certified by Raymond M. Stone, a registered engineer, under date of February 28, 1974, and a site plan of the Parcel and Buildings prepared and certified by Charles L. Thompson, a registered land surveyor, under date of March 6, 1974, as amended and recertified under date of June 18, 1974, all of which are incorporated herein by reference, as the same may be amended from time to time.
3. The Site Plan filed of record in connection with the recordation of this First Amendment shall be substituted for Sheet 2 of the Plans which heretofore formed a part of the Declaration.

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J. Jerome K. Farnsworth
MARION COUNTY AUDITOR

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of Covenants and Restrictions for Timbers - Section 4, which extend the provisions of this Declaration to a Parcel and contain such complementary provisions for such Parcel as are required by this Declaration.

7. There shall be added new subparagraphs 1(bb) through 1(ff) to the Declaration as follows:

(bb) "Timbers I" means the horizontal property regime established pursuant to the Indiana Horizontal Property Act and a certain "Declaration of Horizontal Property Ownership--The Timbers I Horizontal Property Regime" recorded in the Office of the Recorder of Marion County, Indiana, on March 26, 1974, as Instrument No. 74-16967, consisting of thirty-eight (38) Condominium Apartments and the Common Areas applicable thereto.

(cc) "Timbers II" means the horizontal property regime established pursuant to the Indiana Horizontal Property Act and a certain "Declaration of Horizontal Property Ownership--The Timbers II Horizontal Property Regime" recorded in the Office of the Recorder of Marion County, Indiana, on August 30, 1974, as Instrument No. 74-55300, consisting of forty-five (45) Condominium Apartments and the Common Areas applicable thereto.

(dd) "Timbers III" means the horizontal property regime established pursuant to the Indiana Horizontal Property Act and a certain "Declaration of Horizontal Property Ownership--The Timbers III Horizontal Property Regime" recorded in the Office of the Recorder of Marion County, Indiana, on August 15, 1975, as Instrument No. 75-43967, consisting of thirty-five (35) Condominium Apartments and the Common Areas applicable thereto.

(ee) "Timbers - Section 4" means the planned unit development established pursuant to a certain "Supplementary Declaration of Covenants and Restrictions--The Timbers--Section 4" recorded in the Office of the Recorder of Marion County, Indiana, on September 30, 1977, as Instrument No. 77-64851, consisting of twenty-nine (29) Lots and the Common Areas applicable thereto.

(ff) "Consolidated By-Laws" means the Amended, Restated and Consolidated Code of By-Laws of Timbers I, Timbers II, and Timbers III Horizontal Property Regimes.

of the annual meeting of the Corporation in April of each year, the Corporation's Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year, estimating the total amount of the Common Expenses for the ensuing year which shall form the basis for the General Assessments and furnish a copy of such proposed budget to each Owner prior to the annual meeting together with the notice of said meeting. If the proposed annual budget is equal to or less than one hundred ten percent (110%) of the previous year's annual budget, the Board of Directors shall have the full right, power and authority to adopt such budget without the approval of the Owners. However, if the proposed annual budget exceeds one hundred ten percent (110%) of the previous year's annual budget, such budget must be submitted to the Owners at the annual meeting for approval. In such case, the annual budget shall be submitted to the Owners for adoption and, if so adopted, shall be the basis for the General Assessment (hereinafter defined) for the current fiscal year. At the annual meeting, the proposed annual budget for the Corporation which would exceed one hundred ten percent (110%) of the previous year's annual budget may be approved in whole or in part or may be amended in whole or in part by a Majority of the Vote (which shall mean a majority of the votes of the Owners present or represented at such meeting at which a quorum is present); provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved at such meeting for the Corporation, either the proposed annual budget or the proposed annual budget as amended. The failure or delay of the Board of Directors to prepare a budget and furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of such Owner's obligation to pay the Common Expenses as herein provided, whenever determined, and in the absence of an annual budget, the Owners shall continue to pay the then existing monthly assessment until such new annual budget and monthly assessment is established.

The annual budget and the General Assessments shall provide for the establishment and maintenance of an adequate replacement reserve fund for capital expenditures and replacement and major repair of the Community Area, including but not limited to The Timbers clubhouse and Wilderness Trail, which replacement fund shall be used only for those purposes and not for usual and ordinary repair expenses. In determining the amount for replacement reserves, the Board of Directors shall consider the expected useful

the Percentage Vote of the Co-Owners within each respective regime in a duly constituted meeting called for such purpose; and

WHEREAS, the Co-Owners within The Timbers I, II, and III horizontal property regimes desire to adopt certain amendments to their respective Codes of By-Laws as set forth herein and to incorporate such amendments into an Amended, Restated and Consolidated Code of By-Laws which will collectively govern all Co-Owners of Condominium Apartments within The Timbers I, II, and III; and

WHEREAS, after notice was duly given pursuant to the original By-Laws of each of the three (3) regimes, a Special Meeting of all Co-Owners was held on the 3rd day of November, 1994, for the purpose of considering and adopting this Amended, Restated, and Consolidated Code of By-Laws; and

WHEREAS, at said Special Meeting, the Owners holding more than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers I horizontal property regime voted to approve this Amended, Restated, and Consolidated Code of By-Laws to replace their original By-Laws; and

WHEREAS, at said Special Meeting, the Owners holding more than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers II horizontal property regime voted to approve this Amended, Restated, and Consolidated Code of By-Laws to replace their original By-Laws; and

WHEREAS, at said Special Meeting, the Owners holding more than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers III horizontal property regime voted to approve this Amended, Restated, and Consolidated Code of By-Laws to replace their original By-Laws; and

WHEREAS, the provisions below were approved contemporaneously with the Amended & Restated Articles of Incorporation for The Timbers of Indianapolis, Inc., the Amended & Restated Code of By-Laws for The Timbers of Indianapolis, Inc., Amendments to the Declarations for Timbers I, II, and III, and the Amendments to the Declaration for Section 4.

NOW, THEREFORE, the original By-Laws for Timbers I, II, and III are amended, restated and consolidated as follows:

Assessments, together with late fees, costs, reasonable attorney's fees, and any other obligation which may be charged to an Owner pursuant to these By-Laws or the HPR Declarations, shall be a charge on the Condominium Apartment, and shall be a continuing lien upon the property against which each such assessment or charge is made. Each such assessment or charge, together with late fees, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 10.2. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Corporation in April of each year, the Corporation's Board of Directors shall cause to be prepared separately for Timbers I, II, and III a proposed annual budget for the current fiscal year, estimating the total amount of the Common Expenses for the ensuing year for each of the three (3) regimes, and furnish a copy of such proposed budget to each Owner prior to the annual meeting together with the notice of said meeting. If the proposed annual budget for Timbers I, Timbers II, and/or Timbers III is equal to or less than one hundred ten percent (110%) of the previous year's annual budget, the Board of Directors shall have the full right, power and authority to adopt such budget without the approval of the Co-Owners. However, if the proposed annual budget for Timbers I, Timbers II, and/or Timbers III exceeds one hundred ten percent (110%) of the previous year's annual budget, such budget must be submitted to the Co-Owners of the applicable regime at the annual meeting for approval. The annual budget shall be submitted to the Co-Owners of Timbers I, II, and III separately at the annual meeting of the Corporation for adoption (if necessary) and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the proposed annual budget for any or each of the three (3) regimes (i.e., Timbers I, II, and III) which would exceed one hundred ten percent (110%) of the previous year's annual budget may be approved in whole or in part or may be amended in whole or in part by a Majority of the Vote as defined in Section 2.6(e) hereof by the Owners within each applicable regime; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved at such meeting for Timbers I, II, and III, either the proposed annual budget or the proposed annual budget as amended. The failure or delay of the Board of Directors to prepare a budget and furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of such Owner's obligation to pay the Common Expenses as herein provided, whenever determined, and in the absence of an annual budget, the Owners shall continue to pay the then existing monthly assessment until such new annual budget and monthly assessment is established.

The annual budget and the Regular Assessments shall provide for the establishment and maintenance on an adequate replacement reserve fund for capital expenditures and replacement and major repair of the Common Areas and Limited Areas, including but not limited to painting and/or staining the exterior of Buildings and fences, and resurfacing, repairing or replacing streets, parking areas, sidewalks, roofs and fences, which replacement fund shall be used only for those purposes and not for usual and ordinary repair expenses. In determining the amount for replacement reserves, the Board of Directors shall consider the expected useful life of such Common Areas and Limited Areas, projected increases in the cost of materials and labor, interest to be earned by such funds, and the advise of any consultants the Board may employ for such purpose. Such fund shall be conclusively deemed to be a Common Expense. The Board of Directors shall annually review the adequacy of any reserve fund. The proportionate interest of any Owner in any reserve for replacements shall be considered an appurtenance of his Condominium Apartment and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Apartment to which it appertains and shall be deemed to be transferred with such Condominium Apartment. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Areas and Limited Areas shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana, selected from time to time by the Board of Directors.

Section 10.3. Regular Assessments. Promptly following the adoption of the annual budget for each of the three (3) regimes, the Board of Directors shall give written notice of the assessment against each respective Condominium Apartment based on its Percentage Interest (herein called the "Regular Assessment"). The Regular Assessment against each Condominium Apartment shall be assessed on a quarterly basis beginning on May 1st of each year following the annual meeting and shall be due and payable in equal monthly installments, in advance, on the first day of each month. Payment of the monthly installments of the Regular Assessment shall be made to the Corporation's Board of Directors or the Managing Agent, or otherwise, as directed by the Board of Directors. The Regular Assessment shall automatically become a lien on that Condominium Apartment on the date it is due and payable. An Officer or the Managing Agent of the Corporation shall, upon due request and for a reasonable charge, cause to be furnished a certificate setting forth whether the Regular and Special Assessments on a designated Condominium Apartment have been paid, or the amount of any unpaid and delinquent Regular or Special Assessments.

Section 10.4. Special Assessments. From time to time, Common Expenses of an unusual or extraordinary nature or otherwise not anticipated may arise, either applicable to Timbers I, or II, or III, or to all three (3) regimes. At such time and without the approval of the Owners, the Corporation's Board of Directors shall have the full right, power and authority to annually levy and impose special assessments (applicable only to the assessment year in which made) not in excess of ten percent (10%) of the total Regular Assessments applicable for such time period which, upon resolution of the Board, shall become a lien on each Condominium Apartment within the applicable regime or regimes, prorated in accordance with the Percentage Interest of each Condominium Apartment (herein called "Special Assessment"). Any Special Assessment exceeding this amount must be first approved by a Majority of the Vote (as that phrase is defined in Section 2.6(e) above) by the Owners within the applicable regime or regimes at a special meeting called for such purpose.

Section 10.5. Failure of Owner to Pay Assessments. No Owner may exempt himself or herself from paying Regular or Special Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and Limited Areas and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Common Areas or Limited Areas, or by abandonment of the Condominium Apartment belonging to such Owner. 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 Assessments when due, the lien for such assessment on the Owner's Condominium Apartment may be foreclosed by the Board for and on behalf of the Corporation as provided by law. Upon the failure of an Owner to make payments of any Regular or Special Assessments within fifteen (15) days after such are due, the Board, in its discretion, may (1) impose a late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board of up to twenty-five percent (25%) of the amount of the Assessment, (2) accelerate the entire balance of the unpaid Assessments for the remainder of the fiscal year and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary, and (3) suspend such Owner's right to vote as provided in the Indiana Nonprofit Corporation Act of 1991, as amended. In any action to foreclose the lien for any Assessment, the Owner and any occupant of the Condominium Apartment shall be jointly and severally liable for the payment to the Corporation of reasonable rental for such Condominium Apartment, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Condominium Apartment and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular or Special Assessments. The Board

may, at its option, bring a suit to recover a money judgment for any unpaid Regular or Special Assessments without foreclosing or waiving the lien securing the same. In any action to recover a Regular or Special Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Corporation, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorney's fees, from the Owner of the respective Condominium Apartment.

Section 10.6. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Property subject to assessment. Notwithstanding anything contained in this section or elsewhere in the HPR Declarations or these By-Laws, any sale or transfer of a Condominium Apartment to a mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Regular or Special Assessment as to such installments which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior Owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Condominium Apartment or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments or Special Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense collectible from all Owners within the applicable regime (including the party acquiring the subject Condominium Apartment from which it arose).

ARTICLE XI

RESTRICTIONS ON USE

Section 11.1. The following restrictions on the use and enjoyment of the Condominium Apartments, Common Areas, Limited Areas and the Property shall be applicable to The Timbers I, II, and III and are in addition to those set forth in the Declaration. These are as follows:

- (a) All Condominium Apartments shall be used exclusively for residential purposes and the occupancy of a single family. "Single Family" is defined as a single housekeeping unit, operating on a nonprofit, non-commercial basis between its occupants with a common kitchen and dining area.

- (b) No additional buildings shall be erected or located in Timbers I, II, or III other than the Buildings designated in the HPR Declarations and shown on the Plans.
- (c) Nothing shall be done or kept in any Condominium 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 Condominium 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 nuisance shall be permitted and no waste shall be committed in the Condominium Apartments, Common Areas or Limited Areas.
- (e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Condominium Apartment or the Common Areas or Limited Areas, except that small dogs, cats or customary household pets may be kept in a Condominium Apartment; provided that such pet is not kept, bred or, maintained for any commercial purpose, and does not create a nuisance. An Owner shall be fully liable for any damage to the Common Areas or Limited Areas caused by his pet. 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 three (3) days' written notice from the Board to the respective Owner.
- (f) Nothing shall be done or permitted in any Condominium 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.
- (g) No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on any part of the Common Areas or Limited Areas. The Common Areas and Limited Areas shall be kept free and clear of rubbish, debris and other unsightly materials.
- (h) No industry, trade, or any commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted in Timbers I, II, or III other

than home professional pursuits without employees, public visits or nonresidential storage, mail or other use of a Condominium Apartment. No Condominium Apartment shall be used or rented for transient, motel or hotel purposes.

- (i) No "For Sale", "For Rent" or "For Lease" signs or other window or advertising display shall be maintained or permitted on any part of Timbers I, II, or III, or any Condominium Apartment therein without the prior consent of the Board.
- (j) All Owners and members of their families, their guests, or invitees, and all occupants of any Condominium Apartment or other persons entitled to use the same and to use and enjoy the Common Areas and Limited Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Condominium Apartment, Common Areas and Limited Areas.
- (k) No Owner, tenant or occupant of a Condominium Apartment or his agent shall remove, trim or permit the removal or trimming of any tree located within Timbers I, II, or III which is more than three inches (3") in diameter without the prior written consent of the Board of Directors, or shall cultivate or permit the cultivation of any part of Timbers I, II, or III in such a manner as to cause or permit soil erosion.

ARTICLE XII

INSURANCE

Section 12.1 Coverage. On behalf of the Co-Owners and the unincorporated Associations of Co-Owners for Timbers I, II, and III and as a Common Expense, the Board of Directors of the Corporation shall cause to be obtained and kept in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Indiana:

- (a) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement cost") of all buildings and improvements (as hereinafter defined) and all personal property owned by the Corporation with an "agreed amount" endorsement, without deduction or allowance for depreciation (as determined annually by the Board with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

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

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

(b) Comprehensive public liability insurance in such amounts as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of Timbers I, II, and III or any portion thereof.

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

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

The provisions of this Section 12.1 shall not be construed to limit the power or authority of the Board of Directors to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Board of Directors may deem appropriate from time to time.

Section 12.2. Definition. As used in Section 12.1, the term "all buildings and improvements" shall include, without limitation, the Common Areas, Limited Areas, and the standard partition walls, fixtures and installations initially installed in Condominium Apartments by the original developer, as shown on the Plans as amended from time to time, and replacements thereof; and shall exclude fixtures, alterations, installations or additions situated within a portion of the Timbers I, II, or III used exclusively by an individual Owner of that portion of Timbers I, II, or III.

Section 12.2. Form. Casualty insurance shall be carried in a form or forms naming as the insured the Board of Directors as trustee for all Owners within Timbers I, II, and III and the Mortgagees according to the loss or damage to their respective Condominium Apartments and Percentage Interests and payable in

case of loss to the Insurance Trustee. Every such policy of insurance shall:

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

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

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

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

(e) contain a standard mortgage clause which shall:

(i) provide that any reference to a mortgage in such policy shall mean and include any Mortgagee, whether or not named therein;

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

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

(iv) provide that without affecting any protection afforded by such mortgage clause, any proceeds payable under such policy shall be payable to the Board of Directors or to the Insurance Trustee.

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

Section 12.4. Allocation of Insurance Proceeds. In the event of damage or destruction by fire or other casualty to Condominium Apartments covered by insurance written in the name of the Board of Directors as trustee for Co-Owners and their Mortgages, the following provision shall apply:

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

(b) Apartments. Proceeds on account of damage to Condominium Apartments shall be allocated as follows:

(i) If the Building in which the damaged Condominium Apartment is located is to be restored, insurance proceeds shall be allocated to such Condominium Apartment in the proportion which the cost of restoration of such Condominium Apartment bears to the cost of Restoration of all damaged Condominium Apartments, such cost to be determined by the Board of Directors. In determining such cost, the Board of Directors shall not take into consideration the cost of repairing any items specifically excluded from insurance coverage pursuant to the provision of Section 12.2 hereof.

(ii) If the Building in which the damaged Condominium Apartment is located is not to be restored, insurance proceeds shall be allocated to such Condominium Apartment in accordance with the Percentage Interest of the Owner of such Condominium Apartment.

(iii) In the event a mortgage endorsement has been issued with respect to a particular Condominium Apartment, the amount of the insurance proceeds allocated to the Owner of such Condominium Apartment shall be held in trust for the Mortgagee and the Owner as their interests may appear; provided, however, that no Mortgagee shall have the right to determine or

(e) Notice and Place of Meetings. All meetings of the Section 4 Owners shall be held at The Timbers clubhouse or at any suitable place in Marion or Johnson County, Indiana, as may be designated by the Board of Directors. 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 Corporation to each Owner entitled to vote thereat not less than fourteen (14) days prior to the date of such meeting. Any written notice delivered to the Owners as part of a newsletter or other publication regularly sent to the Owners constitutes a written notice. If at any meeting an amendment to the Declaration of Covenants and Restrictions, the Corporation's Articles of Incorporation or By-Laws, or this Declaration is to be considered, the notice of such meeting shall describe the nature of such proposed amendment. All notices shall be mailed by first-class U.S. Mail, postage prepaid, or delivered to the Owners at their respective addresses as the same shall appear upon the records of the Corporation. If an annual or special meeting of Owners is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting pursuant to the Indiana Nonprofit Corporations Act of 1991 before adjournment.

(f) Voting.

(i) Number of Votes. To avoid fractional votes and to facilitate the orderly conduct of the meeting, each Member shall be entitled to cast one (1) vote for each Living Unit of which such Member is the Owner. The total number of votes for or against any matter shall then be divided by the twenty-nine (29) Living Units in The Timbers - Section 4, to determine the respective proportions of Owners supporting or opposing such matter, or by the number of Living Units the Owners of which are present or represented at such meeting, to determine the respective proportions of Owners present or represented at such meeting supporting or opposing such matter. In voting for Directors, each Owner (or his or her representative) shall be entitled to cast one (1) vote for each directorship being filled at that meeting, and the candidate(s) receiving the highest number of votes shall fill the available directorship(s); provided that no Owner shall be allowed to accumulate his or her votes. To the extent provided in the Act, and except as otherwise provided in the Corporation's Articles of Incorporation or By-Laws, plurality voting shall be permitted such that at a meeting, if a quorum exists,

action on a matter is approved if the votes cast in favor of the action exceed the votes opposing the action.

(ii) Multiple Owners. When more than one (1) person or entity constitutes the Owner of a particular Living Unit, all such persons or entities shall be Members of the Corporation, but all of such persons or entities shall have only one (1) vote for such Living Unit, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Living Unit.

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

(iv) Proxy. An Owner may vote either in person or by his or her duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate his attorney-in-fact in writing, delivered to the Secretary of the Corporation prior to the commencement of the meeting. No such proxy shall remain valid for longer than eleven (11) months from the date of its execution, unless a longer term is specified in the proxy.

(v) Quorum. Except where otherwise expressly provided in the Act, the presence of Owners or their duly authorized representatives owning at least ten percent (10%) of the total number of Living Units shall constitute a quorum at all meetings. Unless otherwise required herein or by the Act, the Owners at a meeting at which a quorum is initially present may continue to do business until adjournment, notwithstanding the withdrawal of enough Owners to leave less than a quorum. As used elsewhere in these By-Laws, the term "Majority of Owners" shall mean, unless otherwise expressly indicated, more than fifty percent (50%) of the total number of Lots, and the term "Majority of the Vote" shall mean a majority of the votes of the Owners

present or represented at a meeting at which a quorum is present.

(g) Conduct of Annual Meeting. The Chairman of the annual meeting shall be the President of the Corporation. The President 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 regular or special meeting of the Members held subsequent thereto, unless such reading is waived by a Majority of the Vote.

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

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

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by a Member from those persons eligible to serve. Nominations shall also be made by the Nominating Committee which shall consist of a Chairman who shall be a Director, and two (2) or more Owners. The Nominating Committee shall be appointed by the Board of Directors at least three (3) months prior to each annual meeting. Such nominations (whether from an Owner or the Nominating Committee) must be in writing and presented to the Secretary of the Corporation at least thirty (30) days prior to the annual meeting. Nominations for the Board of Directors shall NOT be accepted from the Owners attending the annual meeting. Voting for the Board of Directors will be by paper ballot. Each Owner must sign his or her 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 or she is entitled for as many nominees as are to be elected from The Timbers - Section 4 (as described below); however, no Owner shall be entitled to accumulate his or her votes. Those persons receiving the highest number of votes shall be elected.

(5) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Corporation 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 Vote as defined above.

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

(7) Adjournment. Upon completion of all business before the Corporation, the President, upon the motion of any Member, may adjourn the meeting; provided, however, that no annual meeting shall be adjourned until a budget is approved by the Owners for the upcoming year, if necessary.

(h) Conduct of Special Meeting. The President of the Corporation shall act as Chairman of any special meetings of the Corporation. For any special meetings of the Section 4 Owners only, the Director elected by the Section 4 Owners shall act as Chairman. The Chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be in consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

(i) Written Ballots. In lieu of any annual or special meeting of the Members, written ballots may be utilized in the manner prescribed in the Indiana Nonprofit Corporations Act of 1991.

12. There shall be added a new Paragraph 20 to the Section 4 Declaration as follows:

20. Board of Directors.

(a) Board of Directors. Rather than having an Advisory Committee for The Timbers - Section 4, the affairs of The Timbers - Section 4 shall be governed and managed by the Corporation's Board of Directors (herein sometimes collectively called "Board" and individually called "Directors"). The powers and duties which were originally assigned to the Advisory Committee for The Timbers - Section 4 pursuant to the provisions of the original Section 4 Declaration are hereby delegated to, and accepted by, the Board of Directors of the Corporation.

The Board of Directors shall be composed of five (5) persons. Of these five (5), one Director shall be an Owner of a Condominium Apartment from Timbers I, one Director shall be an Owner of a Condominium Apartment from Timbers II, one Director shall be an Owner of a Condominium Apartment from Timbers III, one Director shall be an Owner of a Living Unit from The Timbers - Section 4, and one Director shall serve "at large" (owning a home within Timbers I, II, or III or Section 4).

(b) 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 Directors, except that no single Living Unit may be represented on the Board of Directors by more than one person at a time.

(c) Term of Office and Vacancy. Members of the Board of Directors shall be elected at each annual meeting of Owners. Except for the "at large" Director, each Director shall serve a term of two (2) years. The "at large" Director shall serve a term of one (1) year. In addition to the "at large" Director being elected annually, the terms of the remaining Directors shall be staggered such that two (2) Directors shall be elected at each annual meeting (not counting the "at large" Director), with the two (2) other Directors serving until the next annual meeting. Any vacancy or vacancies occurring in the Board caused by a death, resignation, or otherwise other than a vacancy created by removal, shall be filled until the next annual meeting of the Owners through a vote of a majority of the remaining Directors. At the first annual meeting of the Owners following any such vacancy, a Director shall be elected by the applicable Owners to serve for the balance of the term of the Director in respect to whom there has been a vacancy. Each Director shall hold office throughout the term of his or her election until his or her successor is elected and qualified.

In electing Directors, each Section 4 Owner shall be entitled to vote only for the Director who owns a Living Unit within The Timbers - Section 4, as well as the "at large" Director. For example, each Owner of a Living Unit in Section 4 will only vote for the Timbers Section 4 Director and the "at large" Director.

(d) Removal of Directors. A Director or Directors elected by the Owners, or elected by the Directors to fill a vacancy, may be removed by the applicable Owners with or without cause if the number of votes cast to remove would be

sufficient to elect the Director(s) at a meeting to elect Directors. A Director or Directors may be so removed by the applicable Owners only at a meeting called for the purpose of removing the Director(s). The meeting notice must state that the purpose of the meeting is for voting upon the removal of the Director(s). In such case, his or their successor(s) shall be elected at the same meeting from eligible Owners nominated at the meeting to serve for the remainder of the term(s) of the removed Director(s).

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

(i) Protection, repair and replacement of the Community Area and Limited Community Area and such exterior portions of the Living Units for which the Corporation is responsible under the terms of this Declaration, unless the same are otherwise the responsibility or duty of the Owners; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;

(ii) Procuring of utilities, removal of garbage and waste if not provided by the municipality, and snow removal;

(iii) Landscaping, painting, decorating, and furnishing of the Community Area and Limited Community Area in accordance with this Declaration;

(iv) Surfacing, paving, and maintaining streets, parking areas, and sidewalks;

(v) Assessment and collection from the Owners of the Owners' pro-rata share of the Common Expenses;

(vi) Preparation of the proposed annual budget, a copy of which will be mailed, delivered or made available to each Owner at the same time the notice of annual meeting is mailed or delivered;

(vii) Preparing annually a full accounting of all receipts and expenses incurred during each year, which accounting may be made available or delivered to each Owner simultaneously with delivery of the notice of the annual meeting of the Owners;

(viii) Keeping a current, accurate, and detailed record of receipts and expenditures affecting the Timbers - Section 4, 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;

(ix) Procuring and maintaining in force all insurance coverage required by this Declaration;

(x) Performing such other duties as may be reasonably inferred from the provisions of this Declaration.

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

(i) To employ a reputable and recognized professional managing agent or real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties; provided, however, any management agreement shall be terminable for cause upon thirty (30) days written notice and terminable without cause upon sixty (60) days written notice, and any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods;

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

(iii) To procure for the benefit of the Owners fire and extended coverage insurance covering the buildings and improvements on the Lots, the Community Area and Limited Community Area to the full insurable value thereof, to procure public liability and property damage insurance and Worker's Compensation Insurance, if necessary, and to procure all such other insurance as is required or permitted under this Declaration, for the benefit of the Owners and the Corporation;

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

(v) To employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the maintenance, upkeep, repair

and replacement of the Community Area, Limited Community Areas, and the exterior portions of the Living Units for which the Corporation is responsible for maintenance;

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

(vii) To open and maintain a bank account or accounts in the name of the Corporation and to designate the signatories thereto;

(viii) 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 within The Timbers - Section 4 provided that the Board shall give advance written notice to the Owners of such rules and any revision, amendment, or alteration thereof.

(g) Limitations on Board Action. The authority of the Board of Directors to enter into contract shall be limited to contracts involving a total expenditure of less than Ten Thousand Dollars (\$10,000.00), unless the prior approval of a Majority of Owners (as defined above) is obtained, except in the following cases:

(i) Supervision and management of the replacement or restoration of any portion of the Community Area, Limited Community Area, or the Living Units damaged or destroyed by fire or other casualty, where the cost thereof is payable out of insurance proceeds actually received; and,

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

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

The said Ten Thousand Dollar (\$10,000.00) maximum shall automatically be adjusted every five (5) years from the date

of recording of this Declaration to reflect changes in the purchasing power of the dollar, as determined by the most recently published annual GNP Implicit Price deflator or any comparable index.

(h) Misc. Matters. Matters pertaining to the compensation of Directors and Officers, Board Meetings and notices thereof, waiver of notice, the quorum at Board meetings, bonds, informal actions by the Directors, the standards of conduct and liability of Directors and Officers, the Officers of the Corporation and their duties, and indemnification of Directors and Officers shall be as set forth in the Code of By-Laws for the Corporation, as the same may be amended from time to time.

13. There shall be added a new Paragraph 21 to the Section 4 Declaration as follows:

21. Additional Rights and Duties of Board.

(a) Right of Entry. An Owner or occupant of a Living Unit shall be deemed to have granted the right of entry to his Lot and Living Unit to the Board, the Managing Agent, or any person authorized by the Board in case of any emergency, in order to remedy any circumstance threatening his or her Lot and/or Living Unit, the building located thereon, or any other property or person, whether the Owner is present at the time or not. Any Owner shall permit persons authorized by the Board to perform any work for which the Corporation is responsible, when required, to enter his Lot and Living Unit for such purpose, 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.

(b) Right of Board to Adopt Rules and Regulations. The Board may promulgate such reasonable rules and regulations regarding the operation of The Timbers - Section 4 as the Board may deem desirable, including but not limited to the use of the Community Area, Limited Community Area, the Lots and the Living Units. Such rules as are adopted may be repealed or amended by a vote of a majority of the Board. The Board shall cause copies of all such rules and regulations, including any amendments or repeals thereof, to be delivered or mailed promptly to all Owners at least fifteen (15) days prior to the effective date thereof. Any rule or regulation promulgated by the Board shall be properly and consistently enforced by the Board.

14. There shall be added a new Paragraph 22 to the Section 4 Declaration as follows:

22. Maintenance, Repairs and Replacements.

(a) Community Area and Limited Community Area. Maintenance, repairs, replacements and upkeep of the Community and Limited Community Area shall be furnished by the Corporation, as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses.

(b) Living Units and Lots. In addition to maintenance upon the Community Area and Limited Community Area, the Corporation shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: paint, repair, replacement and care of roofs, gutters, downspouts, and exterior building surfaces. Such exterior maintenance shall not include any exterior doors (including garage doors) or windows, glass surfaces, screens and screen doors, door and window fixtures and other hardware, and such other items as the Board of Directors may so designate (unless specifically designated in the Declaration as the Corporation's obligation) so long as such items of exception shall apply to all Living Units equally. Each Owner shall be responsible for maintaining and keeping all other portions of his or her Lot and Living Unit and all improvements thereon in a good, clean and sanitary condition and shall do all work thereon which is not required hereunder to be performed by the Corporation.

(c) Owner's Actions or Omissions. Notwithstanding any obligation or duty of the Corporation to repair or maintain any Lot, Living Unit, Community Area or Limited Community Area, if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his or her family, or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation, the cost of repairing such damage shall be added to and become a part of the assessment to which Owner's Lot and Living Unit is subject, and shall be secured by the Corporation's lien on the Owner's property.

(d) Owner's Lot and Living Unit. If any Owner shall fail so to maintain and keep his or her property or any part thereof in a good, clean and sanitary condition, the

Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the assessment to which Owner's Lot and Living Unit is subject, and shall be secured by the Corporation's lien on the Owner's property.

15. There shall be added a new Paragraph 23 to the Section 4 Declaration as follows:

23. Insurance.

(a) Casualty Insurance. The Corporation shall purchase a master, or "blanket", casualty insurance policy or policies affording fire and extended coverage insurance insuring the Community, Limited Community and all Living Units in an amount consonant with the full replacement value of the improvements excluding, as to any Lot and Living Unit and the improvements thereon, all fixtures, betterments and improvements installed by any Owner or occupant whether located on a Lot or elsewhere. If the Corporation can obtain such coverage for reasonable amounts, it shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. If deemed advisable by the Board of Directors, it shall cause such full replacement value to be determined by a qualified appraiser and the cost of any such appraisal shall be a Common Expense. Such insurance coverage shall be for the benefit of the Corporation, each Owner, and, if applicable, the first mortgage of each Lot and Living Unit.

Such master casualty insurance policy, and "all risk" coverage if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, its Board of Directors, its agents and employees, Owners, their respective agents and guests, and (2) waives any defense based on the invalidity arising from the acts of the insured, and providing further, if the Board of Directors is able to obtain such insurance upon reasonable terms, that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by Owners as hereinafter permitted.

(b) Liability Insurance. The Corporation shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time. Such comprehensive public liability insurance policy shall cover the Corporation, its Board of Directors, any committee or organ of the Corporation or Board of Directors, all persons

acting or who may come to act as agents or employees of any of the foregoing with respect to the Corporation, all Owners and occupants.

The Corporation shall also obtain any other insurance required by law to be maintained, including but not limited to worker's compensation insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for the coverage of cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Corporation, its Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his or her right to adjust with the insurance companies and losses under policies purchased by the Corporation.

(c) Distribution to Mortgagees. In no event shall any distribution of proceeds be made by the Board of Directors directly to an Owner where there is a mortgage endorsement on the certificate of insurance. In such event any remittances shall be to the Owners and his or her mortgagee jointly.

(d) Additional Insurance. Each Owner and/or occupant shall be responsible for and may obtain such additional insurance as he deems necessary or desirable at his own expense affording coverage upon his personal property, the contents of his residence (including, but not limited to, all floor, ceiling and wall coverings and fixtures, betterments and improvement installed by him) and his personal property stored elsewhere, and for his personal liability, but all such insurance shall contain the same provisions of waiver of subrogation as referred to in the foregoing provisions for the master casualty insurance policy to be obtained by the Corporation. Each Owner and/or occupant may obtain casualty insurance at his own expense on his home but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Corporation. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchase by the Corporation pursuant to this provision due to proration insurance purchased by an Owner or occupant under this provision, the Owner or occupant agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Corporation to be distributed as herein provided.

(e) Casualty and Restoration. Damage to or destruction of the Community Area, Limited Community Area, or any Living Unit due to fire or any other casualty or disaster shall be promptly repaired, reconstructed and restored by the Corporation and the proceeds of insurance, if any, shall be applied for that purpose.

(f) Insufficiency of Insurance Proceeds. If the insurance proceeds received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost or repair and reconstruction, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the affected property so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be paid by the Corporation which shall then have the right to levy a special assessment against all Lots and Living Units for such deficiency.

For purposes of Paragraph 23(e) above, repair, reconstruction and restoration shall mean construction or rebuilding of the affected property to as near as possible the same conditions as it existed immediately prior to the damage or destruction and with the same or similar type of architecture.

(g) Surplus of Insurance Proceeds. In the event that there is any surplus of insurance proceeds after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums may be retained by the Corporation as part of its replacement reserves or may be used in the maintenance and operation of The Timbers - Section 4, or, in the discretion of the Board of Directors, may be distributed to the Owners of the Living Units affected and their mortgagees who are beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against any Owner or occupant for committing willful or malicious damage.

16. Definitions. The definitions of terms defined in the Declaration, as used herein shall be applicable to these Amendments to said Declaration, unless otherwise expressly defined herein.

17. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of any Living Unit in The Timbers - Section 4 shall constitute a ratification of these Amendments, together with the Declaration, the Corporation's By-Laws, the Corporation's Articles of Incorporation, and any Rules or Regulations adopted pursuant thereto, together with any amendments to any of the foregoing, and all such provisions shall

be covenants running with the land and shall bind any person having at any time any interest or estate in such a Living Unit or Lot or the Property as if such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease.

IN WITNESS WHEREOF, we, the undersigned Section 4 Owners, do hereby execute these AMENDMENTS TO THE SUPPLEMENTARY DECLARATION OF COVENANTS AND RESTRICTIONS--THE TIMBERS - SECTION 4, this 24 day of March, 1995.

Martha E. Whitesell
 (owner's signature)
MARtha E. Whitesell
 (printed)
4222 Indian Pipe TracE
 (street address)

61 B03
 (Lot no.)

STATE OF INDIANA)
 COUNTY OF Union)

Before me, a Notary Public, in and for said County and State, personally appeared Martha E. Whitesell and Gregory G. Fish, who acknowledged the execution of the foregoing Amendments to the Supplementary Declaration of Covenants and Restrictions for The Timbers - Section 4, and who, having been duly sworn, stated that the statements contained herein are true to the best of their knowledge and belief. Subscribed and sworn to before me this 24 day of February, 1995.

GREGORY G. FISH
 NOTARY PUBLIC STATE OF INDIANA
 SHELBY COUNTY
 MY COMMISSION EXPIRES DEC 23, 1998

Greg G. Fish
 Notary Public
GREGORY G. FISH
 Printed

My Commission Expires: 12/20/98 Residence County: Shelby

timbers4.doc
 December 11, 1994
 This instrument prepared by, and should be returned to, P. Thomas Murray, Jr.,
 Attorney at Law, P.O. Box 501040, Indianapolis, IN 46250. (317) 842-8550.

9

IDENTICAL AND CONTEMPORANEOUS AMENDMENTS TO THE
DECLARATIONS OF HORIZONTAL PROPERTY OWNERSHIP FOR
THE TIMBERS I, II, and III HORIZONTAL PROPERTY REGIMES

These Identical and Contemporaneous Amendments to the
Declarations of Horizontal Property Ownership for The Timbers I,
II, and III horizontal property regimes were made as of the 9th
day of MARCH, ~~1993~~ 1995

W I T N E S S E T H T H A T:

WHEREAS, The Timbers I Horizontal Property Regime located in
Marion County, Indiana (hereafter, "Timbers I") was originally
created and formed pursuant to the Indiana Horizontal Property
Act and a certain "Declaration of Horizontal Property Ownership"
recorded in the Office of the Recorder of Marion County, Indiana,
on March 26, 1974, as Instrument No. 74-16967 (hereafter,
"Timbers I Declaration" or "Declaration for Timbers I"), as the
same may have been amended from time to time; and

WHEREAS, The Timbers II Horizontal Property Regime located in
Marion County, Indiana (hereafter, "Timbers II") was originally
created and formed pursuant to the Indiana Horizontal Property
Act and a certain "Declaration of Horizontal Property Ownership"
recorded in the Office of the Recorder of Marion County, Indiana,
on August 30, 1974, as Instrument No. 74-55300 (hereafter,
"Timbers II Declaration" or "Declaration for Timbers II"), as the
same may have been amended from time to time; and

WHEREAS, The Timbers III Horizontal Property Regime located
in Marion County, Indiana (hereafter, "Timbers III") was
originally created and formed pursuant to the Indiana Horizontal
Property Act and a certain "Declaration of Horizontal Property
Ownership" recorded in the Office of the Recorder of Marion
County, Indiana, on August 15, 1975, as Instrument No. 75-43967
(hereafter, "Timbers III Declaration" or "Declaration for Timbers
III"), as the same may have been amended from time to time; and

WHEREAS, Timbers I consists of thirty-eight (38) Condominium
Apartments and the Common Areas and Facilities as described and
set forth in the Timbers I Declaration; and

WHEREAS, Timbers II consists of forty-five (45) Condominium
Apartments and the Common Areas and Facilities as described and
set forth in the Timbers II Declaration; and

WHEREAS, Timbers III consists of thirty-five (35)
Condominium Apartments and the Common Areas and Facilities as
described and set forth in the Timbers III Declaration; and

WHEREAS, pursuant to the Indiana Horizontal Property Act,
Ind. Code Sec. 32-1-6-8, the associations of co-owners for the
Timbers I, II and III were established as unincorporated

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associations; and

WHEREAS, the original developer of The Timbers community filed a certain "Declaration of Covenants and Restrictions of The Timbers Residential Community" with the Marion County Recorder's Office on March 26, 1974, as Instrument No. 74-16962 (hereafter, the "Overall Declaration"), which contemplated the formation of several horizontal property regimes, which contemplation was partially realized by the creation of The Timbers I, II, and III horizontal property regimes; and

WHEREAS, the Overall Declaration provided for a not-for-profit corporation known as The Timbers, Inc. (now known as The Timbers of Indianapolis, Inc.) which was created upon the filing of Articles of Incorporation with the Indiana Secretary of State on January 31, 1974 (hereafter, "Corporation"); and

WHEREAS, by the terms of the Overall Declaration, the Corporation owns certain property, including but not limited to The Timbers clubhouse and other real and personal property; and

WHEREAS, by the terms of the Overall Declaration, all Owners of Condominium Apartments in Timbers I, II, and III are mandatory members of the Corporation and must pay lien-supported assessments to the Corporation for expenses pertaining to the clubhouse and other property owned by the Corporation; and

WHEREAS, by the terms of the Overall Declaration, the "Supplementary Declaration of Covenants and Restrictions - The Timbers - Section 4" recorded with the Marion County Recorder on September 30, 1977 as Instrument No. 77-64851 which established The Timbers - Section 4 planned unit development consisting of twenty-nine (29) homes (hereafter, "Section 4"), all owners of homes within Section 4 are also mandatory members of the Corporation and must pay lien-supported assessments to the Corporation to the same extent as Owners of Condominium Apartments in Timbers I, II, and III; and

WHEREAS, Timbers I, Timbers II, Timbers III, and Section 4 are part of a community known as The Timbers; and

WHEREAS, a "Supplementary Declaration of Covenants and Restrictions - The Timbers - Section 5" recorded with the Marion County Recorder on May 11, 1982 as Instrument No. 82-24076 established The Timbers - Section 5 planned unit development consisting of ten (10) homes at present (hereafter, "Section 5"); however, the owners of homes within Section 5 have their own homeowners association which governs them such that although Section 5 is commonly thought of as being part of The Timbers community, Section 5 is an autonomous property and is completely separate in function from Timbers I, II, III, and Section 4; and

WHEREAS, since The Timbers I, II and III are so similar, are adjoining properties, and are horizontal property regimes governed by Indiana's Horizontal Property Act, the Owners of the Condominium Apartments within The Timbers I, II, and III desire to adopt contemporaneously the following amendments to each of the three Declarations; and

WHEREAS, said Owners further desire to amend certain provisions of their respective Declarations and to transfer to The Timbers of Indianapolis, Inc. the obligations for maintenance, repairs, and replacements of the Condominium Apartments and the Common Areas and Facilities within their respective regimes rather than having the three (3) separate, unincorporated associations of co-owners perform such functions; and

WHEREAS, the Owners further desire that the Board of Directors of The Timbers of Indianapolis, Inc. shall be composed of members elected in the manner set forth below such that The Timbers of Indianapolis, Inc. Board of Directors shall be responsible for the matters which were originally assigned separately to the Boards of Managers for each of the three (3) regimes; and

WHEREAS, Section 5.06 of each of the original By-Laws for Timbers I, II and III empower the Board of Managers for each of the three (3) regimes to delegate their duties to a Managing Agent; and

WHEREAS, the same Section 5.06 stated that The Timbers of Indianapolis, Inc. could serve as such Managing Agent; and

WHEREAS, Paragraph 21(d) of The Timbers I Declaration enables said declaration to be amended by a vote of not less than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers I in a duly constituted meeting called for such purpose; and

WHEREAS, Paragraph 22(d) of The Timbers II Declaration enables said declaration to be amended by a vote of not less than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers II in a duly constituted meeting called for such purpose; and

WHEREAS, Paragraph 23(d) of The Timbers III Declaration enables said declaration to be amended by a vote of not less than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers III in a duly constituted meeting called for such purpose; and

WHEREAS, the Co-Owners within The Timbers I, II, and III horizontal property regimes desire to adopt certain amendments to

their respective Declarations as set forth herein and to incorporate such amendments into this single instrument to avoid conflicting provisions among the three regimes; and

WHEREAS, after notice was duly given pursuant to the original By-Laws of each of the three (3) regimes, a Special Meeting of all Co-Owners was held on the 3rd day of November, 1994, for the purpose of considering and adopting this Identical and Contemporaneous Amendment to the Declarations of Horizontal Property Ownership for The Timbers I, II, and III horizontal property regimes; and

WHEREAS, at said Special Meeting, the Owners holding more than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers I horizontal property regime voted to approve this Identical and Contemporaneous Amendment to the Declarations of Horizontal Property Ownership for The Timbers I, II, and III horizontal property regimes; and

WHEREAS, at said Special Meeting, the Owners holding more than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers II horizontal property regime voted to approve this Identical and Contemporaneous Amendment to the Declarations of Horizontal Property Ownership for The Timbers I, II, and III horizontal property regimes; and

WHEREAS, at said Special Meeting, the Owners holding more than seventy-five percent (75%) of the Percentage Vote of the Co-Owners within The Timbers III horizontal property regime voted to approve this Identical and Contemporaneous Amendment to the Declarations of Horizontal Property Ownership for The Timbers I, II, and III horizontal property regimes; and

WHEREAS, the provisions below were approved contemporaneously with the Amended & Restated Articles of Incorporation for The Timbers of Indianapolis, Inc., the Amended & Restated Code of By-Laws for The Timbers of Indianapolis, Inc., the Amended, Restated & Consolidated Code of By-Laws of The Timbers I, II, and III, and the Amendments to the Declaration for Section 4.

NOW, THEREFORE, the Declarations of Horizontal Property Ownership for The Timbers I, II, and III horizontal property regimes are amended as follows:

1. Paragraph 1(e) of each of the Declarations of Horizontal Property Ownership for The Timbers I, II, and III horizontal property regimes (hereafter referred to as the "HPR Declarations") is hereby deleted in its entirety and replaced with the following:

(e) "Board of Managers" means the body of the Association which, pursuant to the Declaration at the time it was prepared by the Declarant, was to be elected by the Co-Owners. However, pursuant to amendments to this Declaration as well as the Consolidated By-Laws, the Owners shall not elect a Board of Managers, but shall instead elect the Board of Directors of The Timbers of Indianapolis, Inc. who shall serve all functions which were originally the responsibility of the Board of Managers.

2. Paragraph 1(g) of each of the HPR Declarations is hereby deleted in its entirety and replaced with the following:

(g) "By-Laws" means the By-Laws of the Association and of this horizontal property regime providing for the administration of the Property as required by and in conformity with the provisions of the Act. The By-Laws for this regime have been consolidated through the amendment and restatement of the By-Laws for Timbers I, II, and III.

A true copy of the Amended, Restated and Consolidated Code of By-Laws of The Timbers I, II, and III Horizontal Property Regimes is being filed with the Marion County Recorder's Office contemporaneously with the filing of these amendments to the HPR Declarations (hereafter, the "Consolidated By-Laws").

3. Paragraph 1(l) of each of the HPR Declarations is hereby deleted in its entirety and replaced with the following:

(l) "Corporation" means The Timbers of Indianapolis, Inc., an Indiana nonprofit corporation. The Corporation was formerly known as The Timbers, Inc. However, through an amendment to the Corporation's Articles of Incorporation filed with the Indiana Secretary of State on April 19, 1994, the name was changed to The Timbers Of Indianapolis, Inc.

4. The reference to the "Board of Managers" in Paragraph 1(p) of each of the HPR Declarations is hereby deleted and replaced with the phrase "Board of Directors". All other provisions of Paragraph 1(p) shall be unchanged and shall remain in full force and effect.

5. There shall be added a new Paragraph 1(dd) as follows:

(dd) "Board of Directors" means the Board of Directors of the Corporation.

6. The reference to the "Board of Managers" in Paragraph 8 of each of the HPR Declarations is hereby deleted and replaced with the phrase "Board of Directors". Further, the reference to the "Association" in Paragraph 8 of each of the HPR Declarations is hereby deleted and replaced with the phrase "Corporation". All other provisions of Paragraph 8 shall be unchanged and shall remain in full force and effect.

7. Paragraph 11 of each of the HPR Declarations is hereby deleted in its entirety and replaced with the following:

11. Association of Owners. In order to provide for the maintenance, repair, replacement, administration and operation of the Property, the original Declarant created an unincorporated Association of the Co-Owners of the Apartments in this regime. Each Owner was originally a member of such Association.

Rather than having three (3) separate Associations for Timber I, II, and III, the Owners of Apartments within those regimes now elect the Board of Directors of the Corporation in the manner as set forth in the Consolidated By-Laws. The Corporation, acting through the Board of Directors, is now obligated to maintain, repair, replace, administer and operate the Apartments and the Common Areas within Timbers I, II, and III to the same extent as the Board of Managers was originally. Thus, the Corporation, acting through the Board of Directors, shall be the governing body of this regime, representing all of the Co-Owners, in providing for the management, maintenance, repair, replacement and upkeep of the Property.

8. The reference to the "Board of Managers" in Paragraph 12(a) of each of the HPR Declarations is hereby deleted and replaced with the phrase "Board of Directors". Further, the reference to the "Association" in Paragraph 12(a) of each of the HPR Declarations is hereby deleted and replaced with the phrase "Corporation". All other provisions of Paragraph 12(a) shall be unchanged and shall remain in full force and effect.

9. The reference to the "Board of Managers" in Paragraph 13(d) of each of the HPR Declarations is hereby deleted and replaced with the phrase "Board of Directors". Further, the reference to the "Association" in Paragraph 13(d) of each of the HPR Declarations is hereby deleted and replaced with the phrase "Corporation". All other provisions of Paragraph 13(d) shall be unchanged and shall remain in full force and effect.

10. The reference to the "Board of Managers" in Paragraph 13(e) of each of the HPR Declarations is hereby deleted and replaced with the phrase "Board of Directors". All other

provisions of Paragraph 13(a) shall be unchanged and shall remain in full force and effect.

11. The reference to "Article VII" in the third line of Paragraph 14 of each of the HPR Declarations is hereby amended to refer to "Article XI". All other provisions of Paragraph 14 shall be unchanged and shall remain in full force and effect.

12. Paragraph 16 of each of the HPR Declarations is hereby deleted in its entirety and replaced with the following:

16. The Timbers of Indianapolis, Inc. Certain recreational and other community facilities, including, but not limited to The Timbers Clubhouse and Wilderness Trail, are located in the Development Area. The Community Area is not a part of this regime but is owned by the Corporation. The membership of the Corporation is comprised of, limited to and the obligation of all Owners of homes in The Timbers I, The Timbers II, The Timbers III, and The Timbers - Section 4. The purposes and powers of the Corporation are set forth generally in the Declaration of Covenants and Restrictions and more specifically in the Articles of Incorporation and By-Laws of the Corporation which are incorporated herein by reference. Members of the Corporation have the right to use, occupy and enjoy the Community Area pursuant to and in accordance with the provisions of the Declaration of Covenants and Restrictions and the Articles and By-Laws of the Corporation.

13. The references to the "Board of Managers" in Paragraphs 17 and 18 of each of the HPR Declarations is hereby deleted and replaced with the phrase "Board of Directors". All other provisions of Paragraphs 17 and 18 shall be unchanged and shall remain in full force and effect:

14. Paragraph 21(d) of The Timbers I Declaration, Paragraph 22(d) of The Timbers II Declaration, and Paragraph 23(d) of the Timbers III Declaration are hereby deleted and replaced with the following:

(d) Adoption. Any proposed amendment to this Declaration must be approved by a vote of not less than two-thirds (2/3) in the aggregate of the Percentage Vote. In the event any Apartment is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed Amendment in the manner provided in the By-Laws if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions of the By-Laws.

15. Definitions. The definitions of terms defined in the Timbers I Declaration, Timbers II Declaration, or Timbers III Declaration, as used herein shall be applicable to these Amendments to said Declarations, unless otherwise expressly defined herein.

16. Acceptance and Ratification. The acceptance of a deed of conveyance or the act of occupancy of any Condominium Apartment in Timbers I, II, or III, shall constitute a ratification of this Amendments, together with the Timbers I Declaration, Timbers II Declaration, and the Timbers III Declaration (including all amendments and supplements thereto), the Corporation's By-Laws, the Corporation's Articles of Incorporation, the Consolidated By-Laws, and any Rules or Regulations adopted pursuant thereto, together with any amendments to any of the foregoing, and all such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such a Condominium Apartment or the Property as if such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease.

IN WITNESS WHEREOF, I, the undersigned, do hereby execute these IDENTICAL AND CONTEMPORANEOUS AMENDMENTS TO THE DECLARATIONS OF HORIZONTAL PROPERTY OWNERSHIP FOR THE TIMBERS I, II, and III HORIZONTAL PROPERTY REGIMES and certify the truth of the facts herein stated, this 9th day of MARCH, 1995.

THE TIMBERS OF INDIANAPOLIS, INC., by:

[Handwritten Signature]
Signature

J. H. JACK GOUGHAN
Printed

Vice President
Title

(22)

**AMENDED AND RESTATED CODE OF BY-LAWS OF
THE TIMBERS OF INDIANAPOLIS, INC.
An Indiana Nonprofit Corporation**

This Amended and Restated Code of By-Laws of The Timbers of Indianapolis, Inc. was made as of the 9th day of MARCH, 1995.

WHEREAS, the original developer of The Timbers community filed a certain "Declaration of Covenants and Restrictions of The Timbers Residential Community" with the Marion County Recorder's Office on March 26, 1974, as Instrument No. 74-16262 (hereafter, the "Overall Declaration"), which contemplated and provided for the formation of several horizontal property regimes and other subdivisions; and

WHEREAS, the Overall Declaration provided for a not-for-profit corporation known as The Timbers, Inc. (now known as The Timbers of Indianapolis, Inc.) which was created upon the filing of Articles of Incorporation with the Indiana Secretary of State on January 31, 1974 (hereafter, "Corporation"); and

WHEREAS, at, or shortly after, the time of the Corporation's incorporation, the original developer prepared a Code of By-Laws for the Corporation; and

WHEREAS, by the terms of the Overall Declaration, the Corporation owns certain property, including but not limited to The Timbers clubhouse and other real and personal property; and

WHEREAS, pursuant to the terms of the Overall Declaration, the "Declaration of Horizontal Property Ownership--The Timbers I Horizontal Property Regime" was recorded in the Office of the Recorder of Marion County, Indiana, on March 26, 1974, as Instrument No. 74-16267 which established the Timbers I horizontal property regime consisting of thirty-eight (38) homes (hereafter, "Timbers I"); and

WHEREAS, pursuant to the terms of the Overall Declaration, the "Declaration of Horizontal Property Ownership--The Timbers II Horizontal Property Regime" was recorded in the Office of the Recorder of Marion County, Indiana, on August 30, 1974, as Instrument No. 74-55100 which established the Timbers II horizontal property regime consisting of forty-five (45) homes (hereafter, "Timbers II"); and

WHEREAS, pursuant to the terms of the Overall Declaration, the "Declaration of Horizontal Property Ownership--The Timbers III Horizontal Property Regime" was recorded in the Office of the Recorder of Marion County, Indiana, on August 15, 1975, as Instrument No. 75-43267 which established the Timbers III horizontal property regime consisting of thirty-five (35) homes (hereafter, "Timbers III"); and

WHEREAS, pursuant to the terms of the Overall Declaration, the "Supplementary Declaration of Covenants and Restrictions--The Timbers - Section 4" was recorded in the Office of the Recorder of Marion County, Indiana on September 30, 1977, as Instrument No. 77-64851 which established The Timbers - Section 4 planned unit development consisting of twenty-nine (29) Lots and the Community Area as described and set forth in said (hereafter, "Timbers Section 4") was originally created and formed pursuant to a certain (hereafter, "Section 4 Declaration"); and

WHEREAS, by the terms of the Overall Declaration, all Owners of homes in Timbers I, II, III, and Section 4 are mandatory members of the Corporation and must pay lien-supported assessments to the Corporation for expenses pertaining to the clubhouse and other property owned by the Corporation; and

WHEREAS, Timbers I, Timbers II, Timbers III and Timbers Section 4 are part of a community known as The Timbers; and

WHEREAS, a "Supplementary Declaration of Covenants and Restrictions - The Timbers - Section 5" recorded with the Marion County Recorder on May 11, 1982 as Instrument No. 82-24076 established The Timbers - Section 5 planned unit development consisting of ten (10) homes at present (hereafter, "Section 5"); however, the owners of homes within Section 5 have their own homeowners association which governs them such that although Section 5 is commonly thought of as being part of The Timbers community, Section 5 is an autonomous property and is completely separate in function from Timbers I, II, III, and Section 4; and

WHEREAS, the Corporation's Board of Directors and the Owners of homes within Timbers I, II, III, and Section 4 desire to amend certain provisions of the Corporation's Code of By-Laws; and

WHEREAS, Article 10 of the original Code of By-Laws states that they may be amended by a two-thirds (2/3) majority of the Directors then serving on the Corporation's Board of Directors; and

WHEREAS, at the Corporation's Board of Directors meeting held on September 29, 1994, the Directors unanimously approved the following amendments to and restatement of the Corporation's By-Laws; and

WHEREAS, even though the following Amended & Restated Code of By-Laws were effective upon the Board of Directors' approval at the September 29, 1994 Board meeting, the Corporation's Board of Directors nevertheless resolved to submit the same to the Corporation's members for their approval; and

WHEREAS, after notice was duly given, a Special Meeting of all Owners of homes in Timbers I, Timbers II, Timbers III, and Section 4 was held on the 3rd day of November, 1994, for the purpose of considering and discussing these Amendments; and

WHEREAS, at said Special Meeting, the Owners representing more than seventy-five percent (75%) of the homes in Timbers I, Timbers II, Timbers III, and Timbers Section 4, voted to approve this Amended & Restated Code of By-Laws for The Timbers of Indianapolis, Inc.; and

WHEREAS, the provisions below were approved contemporaneously with the Amendments to the Declaration of Covenants and Restrictions for The Timbers Residential Community, the Amended & Restated Articles of Incorporation for The Timbers of Indianapolis, Inc., the Amended, Restated & Consolidated Code of By-Laws of The Timbers I, II, and III, the Identical and Contemporaneous Amendments to the Declarations of Horizontal Property Ownership for The Timbers I, II, and III Horizontal Property Regimes, and the Amendments to the Supplementary Declaration of Covenants and Restrictions for The Timbers--Section 4.

NOW, THEREFORE, the Code of By-Laws of The Timbers of Indianapolis, Inc. is amended and restated as follows:

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AMENDED AND RESTATED CODE OF BY-LAWS OF
THE TIMBERS OF INDIANAPOLIS, INC.
An Indiana Nonprofit Corporation

ARTICLE I

NAME

Section 1.1. Name. The name of this corporation is The Timbers of Indianapolis, Inc. (hereinafter referred to as "Corporation").

ARTICLE II

IDENTIFICATION & APPLICABILITY

Section 2.1. Identification and Adoption. The provisions of these By-Laws shall apply to the Community Area, The Timbers I horizontal property regime, The Timbers II horizontal property regime, the Timbers III horizontal property regime, and The Timbers Section 4 planned unit development in Marion County, Indiana and the administration and conduct of the affairs of the Corporation. These By-Laws shall also constitute the By-Laws of the Corporation.

Section 2.2. Individual Application. Each of the Owners within The Timbers I horizontal property regime, The Timbers II horizontal property regime, the Timbers III horizontal property regime, and The Timbers Section 4 planned unit development in Marion County, Indiana shall automatically and mandatorily be Members in the Corporation and be entitled to all of the privileges and subject to all of the obligations thereof. All Owners of Condominium Apartments in Timbers I, II, and III and all Owners of Lots in Timbers Section 4, by their acceptance of their respective deeds to their homes, covenant and agree to be bound by the conditions, restrictions and obligations contained in the Declaration of Covenants and Restrictions of The Timbers Residential Community, said Declaration being recorded on the 25th day of March, 1974, in the Marion County Recorder's Office as Instrument No. 74-16962 (hereafter, "Overall Declaration"), together with all amendments or supplements thereto, the Corporation's Articles of Incorporation, the rules and regulations of the Corporation and of the provisions hereof. All of the Owners, future Owners, tenants, future tenants, their guests and invitees, or any other person who might now or hereafter use or occupy a Condominium Apartment or Lot or any part of the Community Area shall be subject to the rules,

restrictions, terms, and conditions set forth in the Overall Declaration, the Corporation's Articles of Incorporation, these By-Laws, and the Indiana Nonprofit Corporation Act of 1991 (the "Act"), all as the same may be amended from time to time, and to any rules and regulations adopted by the Board of Directors as herein provided. The Overall Declaration is incorporated herein by reference. All of the covenants, rights, restrictions, and liabilities contained in the Overall Declaration shall apply to and govern the interpretation of the Corporation's Amended & Restated Articles of Incorporation and these Code of By-Laws. The definitions and terms, as defined and used in the Overall Declaration, shall have the same meaning in the Articles of Incorporation and these Code of By-Laws, and reference is specifically made to Paragraph 1 of the Declaration containing definitions for terms, unless otherwise indicated herein. Further, the term "Condominium Apartment" shall have the same meaning as the term "Apartment" as used and defined in the Overall Declaration.

Section 2.3. Membership. Every person or entity who owns one or more Condominium Apartments within either Timbers I, Timbers II, or Timbers III, and every person or entity who owns one or more Lots in Timbers Section 4, including contract sellers, shall automatically upon becoming an Owner of such a Condominium Apartment or Lot be and become a member of the Corporation (hereafter, "Member"); provided, however, that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. The Corporation shall have one class of membership, of which all Members shall be a part.

ARTICLE III

MEETINGS OF CORPORATION

Section 3.1. Purpose of Meetings. At least annually, and at such other times as may be necessary or appropriate, a meeting of the Members shall be held for the purpose of electing the Board of Directors, approving the annual budget (if necessary), and for such other purposes as may be required by the Overall Declaration, these By-Laws, the Articles, or the Act.

Section 3.2. Annual Meeting. The annual meeting for the Members of the Corporation shall be held in the month of April of each year with the specific date and time to be determined by the Board of Directors of the Corporation. (This meeting will also coincide with the annual meeting of Condominium Apartments in Timbers I, II, and III, and with the annual meeting of the owners of Lots located in Timbers Section 4.) At each annual meeting, the Members shall elect the Board of Directors of the Corporation

in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 3.3. Special Meetings. A special meeting of the Members of the Corporation may be called by the President, by resolution of the Board of Directors or upon a written petition of the Owners of not less than ten percent (10%) of the combined total number of Condominium Apartments in Timbers I, II, and III and Lots in Timbers Section 4. The resolution or petition shall be presented to the President or Secretary of the Corporation 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.

A special meeting may also be called by the owners of homes within Timbers I or II or III or Section 4 in the manner as set forth in the Amended, Restated and Consolidated Code of By-Laws of Timbers I, II, and III (hereafter, the "Consolidated By-Laws") and the applicable provisions of the Declaration for Timbers Section 4.

Section 3.4. Notice and Place of Meetings. All meetings of the Members of the Corporation shall be held at The Timbers clubhouse or at any suitable place in Marion or Johnson County, Indiana, as may be designated by the Board of Directors. 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 Corporation to each Member entitled to vote thereat not less than fourteen (14) days prior to the date of such meeting. Any written notice delivered to the Members as part of a newsletter or other publication regularly sent to the Members constitutes a written notice. If at any meeting an amendment to the Declaration, the Articles of Incorporation, or these By-Laws is to be considered, the notice of such meeting shall describe the nature of such proposed amendment. All notices shall be mailed by first-class U.S. Mail, postage prepaid, or delivered to the Members at their respective addresses as the same shall appear upon the records of the Corporation. If an annual or special meeting of Members is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting pursuant to the Act before adjournment.

Section 3.5. Voting.

(a) Number of Votes. To avoid fractional votes and to facilitate the orderly conduct of the meeting, each Member shall be entitled to cast one (1) vote for each Condominium Apartment or Lot for which such Member is the Owner. The total number of votes for or against

any matter shall then be divided by the number of Condominium Apartments and Lots then in The Timbers I, II, III, and Section 4 (which currently is one hundred forty-seven (147), as the same shall have been finally platted from time to time. to determine the respective proportions of Owners supporting or opposing such matter, or by the number of Condominium Apartments or Lots the Owners of which are present or represented at such meeting, to determine the respective proportions of Owners present or represented at such meeting supporting or opposing such matter. In voting for Directors, each Owner (or his or her representative) shall be entitled to cast one (1) vote for each directorship being filled at that meeting, and the candidate(s) receiving the highest number of votes shall fill the available directorship(s); provided that no Owner shall be allowed to accumulate his or her votes. To the extent provided in the Indiana Nonprofit Corporation Act of 1991, as amended, and except as otherwise provided in the Overall Declaration, the Corporation's Articles of Incorporation or these By-Laws, plurality voting shall be permitted such that at a meeting, if a quorum exists, action on a matter is approved if the votes cast in favor of the action exceed the votes opposing the action.

(b) Multiple Owners. When more than one (1) person or entity constitutes the Owner of a particular Condominium Apartment or Lot, all such persons or entities shall be Members of the Corporation, but all of such persons or entities shall have only one (1) vote for such Condominium Apartment or Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Condominium Apartment or Lot.

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

(d) Proxy. An Owner may vote either in person or by his or her duly authorized and designated attorney-

in-fact. Where voting is by proxy, the Owner shall duly designate his attorney in-fact in writing, delivered to the Secretary of the Corporation prior to the commencement of the meeting. No such proxy shall remain valid for longer than eleven (11) months from the date of its execution, unless a longer term is specified in the proxy.

(e) Quorum. Except where otherwise expressly provided in the Declaration, these By-Laws, or the Articles or the Act, the presence of Owners or their duly authorized representatives owning at least ten percent (10%) of the total combined number of Condominium Apartments and Lots shall constitute a quorum at all meetings. Unless otherwise required herein or by the Act, the Owners at a meeting at which a quorum is initially present may continue to do business until adjournment, notwithstanding the withdrawal of enough Owners to leave less than a quorum. As used elsewhere in these By-Laws, the term "Majority of Owners" shall mean, unless otherwise expressly indicated, more than fifty percent (50%) of the total number of Condominium Apartments and Lots, and the term "Majority of the Vote" shall mean a majority of the votes of the Owners present or represented at a meeting at which a quorum is present.

Section 3.6. Conduct of Annual Meeting. The Chairman of the annual meeting shall be the President of the Corporation. The President 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 regular or special meeting of the Members held subsequent thereto, unless such reading is waived by a Majority of the Vote as defined in Section 3.5(e) hereof.

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

(3) Budget. The proposed budget for the current calendar year shall be presented to the Owners for approval or amendment, if necessary, as more fully described below and in the Overall Declaration.

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by a Member from those persons eligible to serve. Nominations shall also be made by the Nominating Committee which shall consist of a Chairman who shall be a Director, and two (2) or more Owners. The Nominating Committee shall be appointed by the Board of Directors at least three (3) months prior to each annual meeting. Such nominations (whether from an Owner or the Nominating Committee) must be in writing and presented to the Secretary of the Corporation at least thirty (30) days prior to the annual meeting. Nominations for the Board of Directors shall NOT be accepted from the Owners attending the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Member may cast the total number of votes to which he or she is entitled for as many nominees as are to be elected from such Owner's section (i.e., Timbers I, II, III, or Section 4, all as more fully described below in Article IV); however, no Member shall be entitled to accumulate his or her votes. Those persons receiving the highest number of votes shall be elected.

(5) Other Business. Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Corporation 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 Vote as defined in Section 3.5(e) hereof.

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

(7) Adjournment. Upon completion of all business before the Corporation, the President, upon the motion of any Member, may adjourn the meeting; provided, however, that no annual meeting shall be adjourned until a budget is approved by the Owners for the upcoming year, if necessary.

Notwithstanding the above, the annual meeting shall also be conducted so as to include all matters pertaining separately to the annual meetings of the Timbers I, II, III, and Section 4 in the manner as set forth in the Consolidated By-Laws and the applicable provisions of the Declaration for Timbers Section 4.

Section 3.7. Conduct of Special Meeting. The President of the Corporation shall act as Chairman of any special meetings of the Corporation. The Chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be in consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting. Special meetings applicable to fewer than all of Timbers I, II, III, and Section 4 shall be conducted in the manner as set forth in the Consolidated By-Laws and the applicable provisions of the Declaration for Timbers Section 4.

Section 3.8. Written Ballots. In lieu of any annual or special meeting of the Members, written ballots may be utilized in the manner prescribed in the Act.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. Board of Directors. The affairs of the Corporation shall be governed and managed by the Board of Directors (herein sometimes collectively called "Board" and individually called "Directors"). The Board of Directors shall be composed of five (5) persons who each own at least one (1) Condominium Apartment or Lot. Of these five (5), one Director shall be an Owner of a Condominium Apartment from Timbers I, one Director shall be an Owner of a Condominium Apartment from Timbers II, one Director shall be an Owner of a Condominium Apartment from Timbers III, one Director shall be an Owner of a Lot from the Section 4 planned unit development, and one Director shall serve "at large" (owning a home within Timbers I, II, or III or Section 4).

Rather than having a separate Board of Managers for each of the three unincorporated Associations of Co-Owners in Timbers I, II, and III, and a separate Advisory Committee for the Owners of Lots in Timbers Section 4, the Corporation's Board of Directors shall govern and manage such matters. The powers and duties which were originally assigned to the Board of Managers for each of the three unincorporated Associations pursuant to the provisions of the Declarations for Timbers I, II, and III and Codes of By-Laws for Timbers I, II, and III, are hereby delegated to, and accepted by, the Board of Directors of the Corporation. Similarly, the powers and duties which were originally assigned to the Advisory Committee for the Owners of Lots in Section 4 pursuant to the provisions of the Declaration for Timbers Section 4, are hereby delegated to, and accepted by, the Board of Directors of the Corporation. These duties and responsibilities pertaining to the individual business and affairs of Timbers I, II, III, and Section 4 are in addition to the duties and responsibilities of the Corporation and the Corporation's Board of Directors under the terms of the Overall Declaration.

Section 4.2. 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 Directors, except that no single Condominium Apartment or Lot may be represented on the Board of Directors by more than one person at a time.

Section 4.3. Term of Office and Vacancy. Members of the Board of Directors shall be elected at each annual meeting of the Corporation. Except for the "at large" Director, each Director shall serve a term of two (2) years. The "at large" Director shall serve a term of one (1) year. In addition to the "at large" Director being elected annually, the terms of the remaining Directors shall be staggered such that two (2) Directors shall be elected at each annual meeting (not counting the "at large" Director), with the two (2) other Directors serving until the next annual meeting. Any vacancy or vacancies occurring in the Board caused by a death, resignation, or otherwise other than a vacancy created by removal, shall be filled until the next annual meeting of the Members through a vote of a majority of the remaining Directors. At the first annual meeting of the Members following any such vacancy, a Director shall be elected by the applicable Owners to serve for the balance of the term of the Director in respect to whom there has been a vacancy. Each Director shall hold office throughout the term of his or her election until his or her successor is elected and qualified.

In electing Directors, each Owner shall be entitled to vote only for the Director who owns a Condominium Apartment or Lot within the Owner's regime or section, as well as the "at large" Director. For example, an Owner of a Condominium Apartment within Timbers I will only vote for the Timbers I Director and the "at large" Director.

Section 4.4. Removal of Directors. A Director or Directors elected by the Owners, or elected by the Directors to fill a vacancy, may be removed by the Owners with or without cause if the number of votes cast to remove would be sufficient to elect the Director(s) at a meeting to elect Directors. A Director or Directors may be so removed by the Owners only at a meeting called for the purpose of removing the Director(s). The meeting notice must state that the purpose of the meeting is for voting upon the removal of the Director(s). In such case, his or their successor(s) shall be elected at the same meeting from eligible Owners nominated at the meeting to serve for the remainder of the term(s) of the removed Director(s).

Section 4.5. Duties of the Board of Directors. The Board of Directors shall perform or cause to be performed, when and to

the extent deemed necessary or appropriate in the Board's business judgment, the following:

- (a) Protection, repair and replacement of the Community Area including, but not limited to, The Timbers clubhouse and Wilderness Trail; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
- (b) Procuring of utilities, removal of garbage and waste if not provided by the municipality, and snow removal from the Community Area;
- (c) Landscaping, painting, decorating, and furnishing of the Community Area;
- (d) Surfacing, paving, and maintaining private streets, parking areas, and sidewalks within the Community Area, and the regulation of the use thereof;
- (e) Assessment and collection from the Owners of the Owners' pro-rata share of the Common Expenses;
- (f) Preparation of the proposed annual budget, a copy of which will be mailed, delivered, or made available to each Owner at the same time the notice of annual meeting is mailed or delivered;
- (g) Preparing annually a full accounting of all receipts and expenses incurred during each year, which accounting may be made available or delivered to each Owner simultaneously with delivery of the notice of the annual meeting of the Owners;
- (h) Keeping a current, accurate, and detailed record of receipts and expenditures affecting the Community Area, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by an Owner at any time during normal business hours;
- (i) Procuring and maintaining in force all insurance coverage required by the Overall Declaration;
- (j) Performing such other duties as may be reasonably inferred from the provisions of the Overall Declaration;
- (k) Performing such duties set forth in Section 3.5 of the Consolidated By-Laws of Timbers I, II, and III;

(1) Performing such duties set forth in the applicable provisions of the Declaration for Timbers Section 4.

Section 4.6. Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonably necessary or appropriate to accomplish the performance of its duties. These powers include, but are not limited to, the power:

(a) To employ a reputable and recognized professional managing agent or real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties; provided, however, any management agreement shall be terminable for cause upon thirty (30) days written notice and terminable without cause upon sixty (60) days written notice, and any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods;

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

(c) To procure for the benefit of the Owners fire and extended coverage insurance covering the buildings and improvements on the Community Area to the full insurable value thereof, to procure public liability and property damage insurance and Worker's Compensation Insurance, if necessary, and to procure all such other insurance as is required or permitted under the Overall Declaration, for the benefit of the Owners and the Corporation;

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

(e) To employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the maintenance, upkeep, repair and replacement of the Community Area;

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

(g) To open and maintain a bank account or accounts in the name of the Corporation and to designate the signatories thereto;

(h) To adopt, revise, amend, and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation, and enjoyment of the

Community Area provided that the Board shall give advance written notice to the Owners of such rules and any revision, amendment, or alteration thereof;

(i) To exercise all powers specified in Section 3.6 of the Consolidated By-Laws of Timbers I, II, and III;

(j) To exercise all powers specified in the applicable provisions of the Declaration for Timbers Section 4.

Section 4.7. Limitations on Board Action. The authority of the Board of Directors to enter into contract shall be limited to contracts involving a total expenditure of less than Ten Thousand Dollars (\$10,000.00), unless the prior approval of a Majority of Owners (as defined in Section 3.5(e) hereof) is obtained, except in the following cases:

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

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

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

The said Ten Thousand Dollar (\$10,000.00) maximum shall automatically be adjusted every five (5) years from the date of recording of these By-Laws to reflect changes in the purchasing power of the dollar, as determined by the most recently published annual GNP Implicit Price deflator or any comparable index.

Section 4.8. Compensation. No Director or Officer shall receive any compensation for his or her services as such except to such extent as may be expressly authorized by a Majority of Owners as defined in Section 3.5(e) hereof. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 4.9. Meetings and Notice. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors. No written or verbal notice need be given to Directors for regularly scheduled Board meetings of which the Directors are already aware. For all other Board meetings, the Secretary shall give notice of such meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meetings. Special meetings of the Board may be called by the President or any two (2) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary, who shall either personally or by mail and at least three (3) days prior to the date of such special meeting, give notice to the Board members. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. Such meeting shall be held at such place as shall be designated in the notice. To the extent provided in the Act, a Director may conduct or participate in a regular or special meeting of the Board of Directors through the use of conference telephone or any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is considered to be present in person at the meeting.

Section 4.10. Waiver of Notice. Before or after any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place, and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.11. Quorum. At all meetings of the Board, unless the Act or these By-Laws provide otherwise, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 4.12. Bond. The Board of Directors may require the Managing Agent, Treasurer and such other officers as the Board deems necessary to provide surety bonds, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bond shall be a Common Expense.

Section 4.13. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 4.14. Standards of Conduct and Liability of Directors and Officers. The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Corporation shall be as set forth in the Act, as the same may be amended from time to time.

ARTICLE V

OFFICERS

Section 5.1. Officers of the Corporation. The principal officers of the Corporation shall be the President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two 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 5.2. Election of Officers. The officers of the Corporation shall be elected annually by the Board at the first meeting of the Board following each election thereof. Each officer shall hold office for one (1) year or until his successor shall have been duly elected and qualified, unless earlier removed by the Board of Directors. Upon recommendation of a majority of all members of the Board or upon an affirmative vote of a Majority of Owners (as defined in Section 3.5(e) hereof), any officer may be removed either with or without cause and his or her successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 5.3. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Corporation and of the Board, shall have and discharge all the general powers and duties usually vested in the office of the president or chief executive officer of a nonprofit corporation organized under the laws of Indiana, including, but not limited to, the power to appoint committees from among the Owners as he or she may deem necessary to assist in the affairs of the Corporation and to perform such other duties as the Board may from time to time prescribe.

Section 5.4. The Vice-President. The Vice-President shall be elected from among the Directors and shall perform all duties

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

Section 5.5. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Corporation and of the Board and shall keep or cause to be kept a true and complete record of proceedings of such meetings, shall authenticate the Corporation's records, 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 Corporation or the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 5.6. The Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Corporation and such other duties incident to the office of Treasurer. The Treasurer shall be legal custodian of all monies, notes, securities, and other valuables which may from time to time come into possession of the Corporation. He or she shall immediately deposit all funds of the Corporation coming into his or her hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name and for the exclusive benefit of the Corporation. The Treasurer may permit the Managing Agent, if any, to handle and account for monies and other assets of the Corporation to the extent appropriate as part of its duties.

Section 5.7. Assistant Officers. The Board of Directors may from time to time designate and elect from among the Owners an Assistant Secretary and Assistant Treasurer, who shall have such powers and duties as the Officers whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

ARTICLE VI

INDEMNIFICATION

Section 6.1. Indemnification of Directors. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director of the Corporation shall be indemnified by the Corporation as provided in the Indiana Nonprofit Corporation Act of 1991, as it now exists or as hereinafter amended.

Section 6.2. Indemnification of Officers. To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was an officer of the Corporation shall be indemnified by the Corporation as provided in the Indiana Nonprofit Corporation Act of 1991, as it now exists or as hereinafter amended. In addition, every person (and the heirs and personal representatives of such person) who is or was an officer of the Corporation shall be indemnified by the Corporation to the same and fullest extent that directors are indemnified by the Corporation as provided for in the Indiana Nonprofit Corporation Act of 1991, as it now exists or is hereinafter amended.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year, unless otherwise fixed by resolution of the Board of Directors.

Section 7.2. Personal Interests. Except as permitted under Section 4.1 hereof, no Member of the Corporation shall have or receive any earnings from the Corporation; provided, however, that a Member who is an officer, director, employee, or agent of the Corporation may be reimbursed for expenses incurred on the Corporation's behalf.

Section 7.3. Contracts, Checks, Notes, Etc. All contracts and agreements entered into by the Corporation and all checks, drafts and bills of exchange and orders for the payment of money shall, in the conduct of the ordinary course of business of the Corporation, unless otherwise directed by the Board of Directors, or unless otherwise required by law, be signed by the Treasurer, and at least one other officer of the Corporation.

Section 7.4. Commingling of Funds. In order to facilitate and encourage uniform and cooperative management of Timbers I, II, III, and Section 4, the Corporation's Board of Directors and/or the Managing Agent shall have the right and authority to commingle any funds of the Corporation (including any reserve funds) with the funds paid to the Corporation by Owners from Timbers I, II, and III, and Section 4, and the Board of Directors and/or the Managing Agent shall have the authority to make and/or to authorize disbursements from such funds for purposes related to the maintenance and operation of Timbers I, Timbers, II, Timbers III, and Section 4.

Section 7.5. Reserve for Replacements. The Board of Directors shall provide for the establishment and maintenance on an adequate replacement reserve fund for capital expenditures and

replacement and major repair of the buildings and improvements located on the Community Area and equipment of the Property, including, but not limited to, The Timbers clubhouse and resurfacing Wilderness Trail and any other streets within the Community Area, which replacement fund shall be used only for those purposes and not for usual and ordinary repair expenses. In determining the amount for replacement reserves, the Board of Directors shall consider the expected useful life of such improvements, projected increases in the cost of materials and labor, interest to be earned by such funds, and the advise of any consultants the Board may employ for such purpose. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana, or deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of or fully guaranteed as to principal by, the United States of America. The Board of Directors shall annually review the adequacy of any reserve fund.

The proportionate interest of any Owner in any such reserve for replacements shall be considered an appurtenance of his Condominium Apartment or Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Apartment or Lot to which it appertains and shall be deemed to be transferred with such Condominium Apartment or Lot.

ARTICLE VIII

AMENDMENT TO BY-LAWS

Section 8.1. Amendment. These By-Laws may be amended by a vote of two-thirds (2/3) of the total, combined number of Condominium Apartments and Lots in Timbers I, II, III, and Section 4 in a duly constituted meeting called for such purpose, except as prohibited by any provision of the Overall Declaration, the Act, or these By-Laws, as the same may be amended from time to time.

ARTICLE IX

ARCHITECTURAL REVIEW BOARD

Section 9.1. Composition. The Architectural Review Board shall be comprised of three (3) or more Members appointed by the Board of Directors.

Section 9.2. Organisation. The Architectural Review Board shall elect from among its membership a chairman, secretary and such other officers as it deems appropriate.

Section 9.3. Quorum. A quorum for action by the Architectural Review Board shall be a majority of its members, but in no event less than two (2) members thereof.

Section 9.4. Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location and maintenance of the Tract and or improvements thereon and to regulate such uses of property, all as provided in the Overall Declaration.

Section 9.5. Procedure. The Architectural Review Board shall formulate general guidelines, procedures and regulations and submit them for approval to the Board of Directors. Such guidelines, procedures and regulations shall be considered adopted policy of the Board of Directors unless rejected by a majority of the Directors then serving on the Board of Directors within thirty (30) days of the date of the submission. The adopted guidelines, procedures and regulations shall be incorporated in the Corporation's rules and regulations and the Architectural Review Board shall act in accordance therewith.

IN WITNESS WHEREOF, I, the undersigned, do hereby execute this Amended and Restated Code of By-Laws and certify the truth of the facts herein stated, this 9th day of March, 1995.

The Timbers of Indianapolis, Inc., by:

[Signature]
Signature

H. JACK GOTSCHALL
Printed

Vice President
Title

STATE OF INDIANA)
COUNTY OF MARION)

Before me a Notary Public in and for said County and State, personally appeared H. JACK GOTSCHALL, the VICE PRESIDENT, of The Timbers of Indianapolis, Inc., who acknowledged execution.

of the foregoing Amended & Restated Code of By-Laws of The
Timbers of Indianapolis, Inc. for and on behalf of said
corporation and who, having been duly sworn, stated that the
representations contained herein are true.

Witness my hand and Notarial Seal this 9th day of
MARCH, 1995.

P. THOMAS MURRAY, JR.
Notary Public

P. Thomas Murray, Jr.
Signature

My Commission Expires:

12-20-97

Residence County: MARION

This instrument prepared by, and should be returned to, P. Thomas Murray, Jr.,
Attorney at Law, P.O. Box 501040, Indianapolis, IN 46250. (317) 842-8550.

att:isberov.byl
October 17, 1994