CODE OF BY-LAWS

OF

HALTEMAN VILLAS ASSOCIATION, INC.

1 AUGUST 1983

05859

MIS1989 1850

EXCERPTS OF AN ANNUAL MEETING
OF THE MEMBERS OF HALTEMAN VILLAS ASSOCIATION, INC.

STATE OF INDIANA, DELAWARE COUNTY, SS:

Jack Ihle, being duly sworn, says:

That the following are excerpts of the annual meeting of the members of Halteman Villas Association, Inc., held on the 8th day of May, 1989. That such resolution has neither been amended nor rescinded:

Upon motion duly made and seconded, the following resolution was adopted:

BE IT RESOLVED: Article V.

That Section 5.07(a) of the Code of By-Laws of Halteman Villas Association, Inc., be amended to read as follows:

Section 5.07 Voting at Meetings.

Clause (a) Voting Rights--General. Each member in good standing shall have the right, at every meeting of the Association with respect to every matter to be voted upon, to cast that number of votes equal to the square footage of his apartment.

In the event that an apartment is owned jointly by two or more persons only one such co-owner shall be entitled to cast the votes assigned to that particular apartment with the splitting of such votes prohibited.

There being no further business, upon motion duly made and seconded, the meeting thereupon adjourned.

S/Jack Ihle
(Jack Ihle) Secretary

ATTEST:

S/Gordan A. Jordan
(Gordan A. Jordan) President

FILED FOR RECORD
11:15 o'clock AM
Record 1989 Page 1850
4.00
JUN 13 1989
Donna J. Ashley
Recorder, Delaware County

Jack Ihle
(Jack Ihle) Secretary

Subscribed and sworn to before me this 13th day of June, 1989.

(Chip A. Alexander)
Notary Public
Resident of Delaware County

My Commission Expires:

October 19, 1992.

This instrument prepared by Chip A. Alexander, Attorney.

CODE OF BY-LAWS

OF

HALTEMAN VILLAS ASSOCIATION, INC.

1 AUGUST 1983

TABLE OF CONTENTS

ARTICLE I.	Identification	Page 1
ARTICLE II.	Definitions	1
ARTICLE III.	Membership	3
ARTICLE IV.	Obligation of Members For Common Expenses	3
ARTICLE V.	Meetings of Members	4
ARTICLE VI.	Board of Directors	7
ARTICLE VII.	Duties and Powers of Directors	9
ARTICLE VIII.	Officers	12
ARTICLE IX.	Idemnification of Officers and Directors	13
ARTICLE X.	Council of Co-Owners	14
ARTICLE XI.	Common Expense Budgets	16
ARTICLE XII.	Special Association Acts, Negotiable Instruments, Deeds, Contracts and Stock	18
ARTICLE XIII.	Obsolescent	18
ARTICLE XIV.	Dissolution	19
ARTICLE XV.	Amendments to By-Laws	20

5998

MISC 1983 1895

1 August 1983

CERTIFICATION OF REVISED BY-LAWS
FOR
HALTEMAN VILLAS ASSOCIATION, INC.

This is to certify that at a special meeting of the members of the Halteman Villas Association, Inc. on 25 July 1983, the attached By-Laws were adopted by the vote of 83.06% of all the members of the Association.

These By-Laws replace the original By-Laws of Halteman Villas Association, Inc., and the Code of By-Laws of Council of Co-Owners of each Unit of Halteman Villas Horizontal Property Regimes.

These By-Laws will become effective upon being recorded at the office of the Recorder, Delaware County, Indiana.

For the Board of Directors

Donald R. Taylor

Donald R. Taylor M.D.
President

Attest: Jane Brimhall
Jane Brimhall
Assistant Secretary

FILED FOR RECORD
3:15 o'clock P M.
Record 1983 Page 1895 - 1905
AUG 1 1983 $24.00

Donna J. Ashley
Recorder Delaware County

CODE OF BY-LAWS OF

HALTEMAN VILLAS ASSOCIATION, INC.

ARTICLE I.

Identification

Section 1.01 Identification. These are the By-Laws of Halteman Villas Association, Inc., hereinafter called the "Association", a corporation not for profit organized under the laws of the State of Indiana.

Section 1.02 Purpose. The purpose of the Association is to administer the condominium units known as the Halteman Villas Condominiums.

Section 1.03 Principal Office. The post office address of the principal office of the Association is 4501 North Wheeling Avenue, Muncie, Indiana, 47304.

Section 1.04 Keeping of Corporate Books and Records. The books of accounts, records, documents and papers of the Association shall be kept at its principal office.

Section 1.05 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of June and end on the 31st day of May of each year.

Section 1.06 Applicability. All present and future co-owners, tenants, licensees, servants, agents, employees and any other person that shall be permitted to use the facilities of the Association shall be subject to these By-Laws.

ARTICLE II.

DEFINITIONS

Section 2.01 Definitions as Used in These By-Laws.

(a). "Apartment" means an enclosed space consisting of one or more rooms occupying all or a part of a floor or floors in a structure of one or more floors.

(b). "Assigned value" means the value of each apartment as established in each condominium unit's Declaration.

(c). "Condominium Unit" means real estate made subject to the Indiana Horizontal Property Act by the recording of a Declaration, e.g., Halteman Villas Unit One.

(d). "Co-Owner" means a person who owns an apartment as well as an undivided interest in the common areas and facilities of his condominium unit in the percentage specified and established in the Declaration for his condominium unit.

(e). "Council of co-owners" means all of the co-owners of the apartments in a particular condominium unit.

(f). "Common areas and facilities" means and includes all of the real estate made subject to the Indiana Horizontal Property Act except for the apartments and the limited common areas and facilities.

(g). "Common expenses" means all sums lawfully assessed against the co-owners by the Association including:

(1). "Unit expenses" which are those items of common expense applicable only within an individual condominium unit, e.g., a new roof, elevator repairs.

(2). "Community, commercial and recreational expenses" which are those items of expense common to all condominium units, e.g., wages of the gatehouse watchmen, the swimming pool and street maintenance.

(h). "Declaration" means the Declaration of Horizontal Property Ownership and the plats and floor plans attached thereto which documents were filed to create each condominium unit.

(i). "Limited common areas and facilities" means those common areas and facilities designated in each condominium unit's Declaration as reserved for the use of a certain apartment to the exclusion of all other apartments, e.g., parking spaces.

(j). "Majority of co-owners" means that number of such co-owners eligible to cast 51% or more of the votes of the co-owners of a particular condominium unit, and present at any meeting in person or by proxy.

(k). "Majority of members" means that number of such members eligible to cast 51% or more of the votes of the co-owners of all of the apartments in all of the condominium units belonging to the Association, and present at any meeting in person or by proxy.

(l). "Member" means the co-owner of an apartment in a condominium unit belonging to the Association, their heirs, executors and assigns.

(m). Singular, plural, gender. Whenever the context so permits, the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

ARTICLE III.

Membership

Section 3.01 Membership. Membership in the Association shall be limited to the co-owners of the apartments located in those condominium units belonging to the Association.

Section 3.02 Membership-Termination-Assignment. Every lawful transfer of title to a member's apartment shall include a transfer of that co-owner's membership in the Association. Upon making such transfer, the membership of such co-owner shall automatically terminate.

If a co-owner should default on the terms of his mortgage and such default result in foreclosure thereof, the membership of such member in the Association shall terminate and all of the rights, privileges and obligations of such co-owner's membership shall inure to the mortgagee and its assigns.

Except as provided in this Section, membership in the Association may not be assigned or transferred and any attempted assignment or transfer shall be void and of no effect.

ARTICLE IV.

Obligation of Members For Common Expenses

Section 4.01 Unit Expenses. Each member of the Association is liable for and obligated to contribute towards the unit expenses of his condominium unit in the percentage of his interest in the common areas and facilities as set forth in the Declaration of his condominium unit in such amounts as the same shall from time to time be fixed by the Council of Co-owners of each unit in accordance with Articles X and XI of these By-Laws.

Section 4.02 Community, Commercial and Recreational Expenses. Each member of the Association is liable for and obligated to contribute towards the community, commercial and recreational expenses of the Association in such amounts as the same shall from time to time be fixed by the Board of Directors and the members of the Association in accordance with Articles VII and XI of these By-Laws.

Section 4.03 Waiver. No member may exempt himself from contributing towards the common expenses of the Association by waiver of the use or enjoyment of the common areas of his condominium unit or of the community, commercial and recreational facilities of the Association or by the abandonment of the apartment owned by him.

Section 4.04 Payment. Each member shall pay his share of the common expenses monthly on the first day of each month at the principal office of the Association.

Section 4.05 Failure to Pay. In the event that a member shall fail to pay any assessment for the common expenses levied against him within ten days after the same shall become due, the Association shall be entitled to proceed to the remedies provided in Section 4.06.

Section 4.06 Lien Foreclosure. All common expenses chargeable to a member shall constitute a lien against his apartment in favor of the Association. This lien may be foreclosed as in actions for the foreclosure of real estate mortgages; and in any such action the Association shall recover not only the amount due but also its reasonable expenses of the action including court costs and attorney fees.

The Association, in addition, may proceed personally against any delinquent member for the recovery of a personal judgment against him.

Section 4.07 Liability of Purchaser. The purchaser of an apartment shall be jointly and severally liable with the seller for the unpaid assessments owed at the time of the conveyance or transfer. The Association shall provide every purchaser upon his request a statement of such unpaid assessments and the liability of the purchaser shall be limited to such amount.

Section 4.08 Payment of Assessments from Sale Proceeds. Upon the sale, conveyance or other lawful transfer of title to an apartment, all unpaid assessments for the common expenses of the Association shall either be paid out of the sales proceeds or shall be paid by the new co-owner of the apartment.

ARTICLE V.

Meetings of Members

Section 5.01 Place of Meetings. All meetings of the members of the Association shall be held at the principal office of the Association or at such other place as may be

designated by the Board of Directors of the Association in the notice of such meeting.

Section 5.02 Annual meetings. The annual meeting of the members of the Association for the election of Directors, and for the transaction of such other business as may properly come before the meeting, shall be held at 7:30 p.m. on the second Monday in May of each year, if not a legal holiday, and if a legal holiday then on the next succeeding Monday that is not a legal holiday.

Section 5.03 Special Meetings. Special meetings of the members of the Association may be called by the President, by the Board of Directors, or by the Secretary upon the presentation to him of a petition signed by a majority of the members entitled to vote at such meeting.

Section 5.04 Notice of Meetings. A written notice, stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary to each member of the Association in good standing at such address as appears upon the records of the Association and delivered or posted at least ten days but not more than twenty-one days before the date of any annual meeting, and at least five days but not more than ten days prior to the date for a special meeting.

Section 5.05 Waiver of Notice. Notice of any such meeting may be waived in writing by any member if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Attendance at any meeting, in person or by proxy, shall constitute a waiver of the notice of such meeting. Each member who has waived notice of a meeting, or who personally attends or is represented at the meeting by a proxy, shall be conclusively presumed to have been given due notice of such meeting.

Section 5.06. Members' List. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of the members and their last known post office addresses. This list shall show opposite the name of each member the number of the apartment owned by him, the parking space assigned to such apartment, the percentage of ownership in the common areas of the condominium unit in which his apartment is located and the number of votes which the member is entitled to cast at meetings of the Association and at any meeting of the Council of Co-owners. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days.

Section 5.07 Voting at Meetings.

Clause (a) Voting Rights--General. Each member in good standing shall have the right, at every meeting of the Association with respect to every matter to be voted upon, to cast the number of votes computed by dividing the square footage of his apartment by the aggregate square footage of all of the apartments being administered by the Association and multiplying the result thereof by 100,000.

In the event that an apartment is owned jointly by two or more persons only one such co-owner shall be entitled to cast the votes assigned to that particular apartment with the splitting of such votes prohibited.

Clause (b) Good Standing. A member shall be deemed to be in good standing if he shall have paid fully all assessments for the common expenses of the Association levied against his apartment together with all interest, costs, attorney fees, penalties and other expense, if any, properly chargeable to him and against his apartment at least three days prior to the date fixed for such meeting.

Clause (c) Proxies. A member may vote either in person or by proxy. Where voting is by proxy, the co-owner shall duly designate his attorney-in-fact in writing and deliver the same to the Secretary of the Association prior to the meeting. A proxy shall be valid for the specific meeting for which it is given, and it shall remain in effect for any postponement or recess of that meeting.

A proxy may be cancelled prior to its use by submission of a written statement filed with the Secretary or by the appearance in person of the member at the meeting for which the proxy was given.

Clause (d) Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of members of the Association eligible to cast at least 51% of the total vote of the Association shall constitute a quorum at any meeting of the members. If at any meeting a quorum has not attended, the members present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the members.

Clause (e) Majority Decision. All decisions, except as otherwise expressly set forth in these By-Laws, shall require for passage the affirmative vote of members eligible to cast a majority of the votes of the Association present at any meeting of the Association, in person or by proxy.

Section 5.08 Order of Business. The order of business at all meetings of the members of the Association shall be as follows:

(a). Roll call.

(b). Proof of notice of meeting or waiver of notice.

(c). Reading of minutes of preceding meeting.

(d). Reports of officers.

(e). Reports of committees.

(f). Election of Directors.

(g). Unfinished business.

(h). New business.

(i). Adjournment.

ARTICLE VI.

Board of Directors

Section 6.01 Number and Qualification. The Association shall be governed by a Board of Directors consisting of one Director selected by each condominium unit belonging to the Association, hereinafter referred to as Unit Directors, and three members elected by the Association At-Large, hereinafter referred to as At-Large Directors. Each Director shall be a member of the Association.

Section 6.02 Election. Each Unit Director shall be elected by a majority of the co-owners of his condominium unit at the annual meeting of the Council of Co-owners or at any special meeting of the Council duly called for the purpose of electing Directors.

The At-Large Directors shall be elected by a majority of the members of the Association at the annual meeting of the members or at any special meeting duly called for the purpose of electing Directors.

Section 6.03 Term of Office--Compensation. The initial terms of office of the members of the Board of Directors shall be arranged so that the terms of one-third of all Unit Directors and one Director At-Large shall expire each

year. Thereafter, all Directors shall be elected to serve for a term of three years. Each Director shall continue to hold office until his respective successor has been chosen and qualified. Directors shall serve without compensation.

Section 6.04 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as may be determined by the Directors but at least four such meetings shall be held during each fiscal year. Such meetings shall be held at the principal office of the Association or at such other place as a majority of the Board shall select.

Notice of a regular meeting shall be either delivered or mailed to each Director at least five days before the date set for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

Section 6.05 Special Meetings. Special meetings of the Board of Directors may be called by the President or by the Secretary upon the written request of at least three Directors.

Notice of a special meeting shall either be delivered or mailed to each Director at least three days before the date set for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

Section 6.06 Waiver of Notice. Notice of any meeting may be waived in writing by any Director if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Attendance of any Director at any meeting shall constitute a waiver of the notice of such meeting.

Section 6.07 Quorum. A majority of the actual number of Directors elected and qualified shall be necessary to constitute a quorum. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors and binding upon the Association.

Section 6.08 Vacancies. If the office of any Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors at a regular or special meeting called for such purposes shall choose a successor who shall hold office for the unexpired term for which his predecessor was elected.

Section 6.09 Removal. A Unit Director may be removed with or without cause by the affirmative vote of co-owners eligible to cast not less than 67% of the votes of all co-owners of that particular condominium unit present in person

or by proxy at any meeting of the Council of Co-owners of such unit duly called for such purpose.

At-Large Directors may be removed with or without cause by the affirmative vote of members eligible to cast 67% of the votes of the Association present in person or by proxy at any meeting of the members duly called for such purpose.

ARTICLE VII

Duties and Powers of Directors

Section 7.01 Duties and Powers of Directors. The business of the Association shall be managed by the Board of Directors. The Board shall exercise all of the powers of the Association, subject to the restrictions imposed by the Indiana Horizontal Property Act, the Articles of Incorporation of the Association, the Declaration of Horizontal Property Ownership for each condominium unit and these By-Laws.

In the performance of its duties as the administering body of the Association, the Board of Directors shall have and may exercise such powers and duties including, but not limited to, the following:

Clause (a). To have authority over the operation, maintenance, renewal, replacement, care, upkeep, protection and surveillance of each condominium unit belonging to the Association, their common and limited common areas and facilities and the community, commercial and recreational facilities of the Association.

Clause (b). To allocate the community, commercial and recreational expenses of the Association to each apartment in the same ratio by which the square footage of each apartment bears to the aggregate square footage of all of the apartments located in the condominium units belonging to the Association.

Clause (c). To require all officers and employees of the Association responsible for the funds of the Association to furnish adequate fidelity bonds with corporate sureties satisfactory to the Board of Directors. The premiums on such bonds shall be paid by the Association as part of the common expenses.

Clause (d). To pay all taxes and other assessments levied or assessed against the community, commercial and recreational property of the Association, and to collect and

forward for payment any taxes or assessments levied against the common areas of any condominium unit or otherwise chargeable to the co-owners thereof.

Clause (e). To employ a manager for the Association who shall perform such duties and services as the Board may lawfully designate.

Clause (f). To enter or cause to be entered any apartment when deemed necessary for the operation, maintenance, repair, renewal or protection of any of the common or limited common areas and facilities or to prevent damage to any other apartment.

Clause (g). To collect all assessments, including delinquent assessments, for the common expenses of the Association as shall be fixed in accordance with these By-Laws and to enforce the payment and collection thereof by appropriate legal action.

Clause (h). To abate nuisances and enforce observance of the rules and regulations relating to the Association by injunction or other legal means as the Board may deem necessary or appropriate.

Clause (i). To employ or retain legal counsel, engineers and accountants, and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board.

Clause (j). To cause such checking, savings and other bank accounts to be established and opened as the Board of Directors may deem appropriate.

Clause (k). To cause an appropriate audit of the books and accounts of the Association to be made by a competent, certified public accountant at the end of each fiscal year and at such other times as may be deemed necessary. The Board of Directors shall also prepare at the end of each fiscal year and furnish to the co-owners of each apartment a report of the business and affairs of the Association showing its transactions and reflecting fully and accurately its financial condition.

Clause (l). To keep detailed books of account, in chronological order, of the receipts and expenditures of each condominium unit and of the affairs of the Association.

Clause (m). To formulate and enforce compliance with such reasonable rules and regulations relative to the operation, use and occupancy of the condominium units, and the

community, commercial and recreational facilities of the Association and to amend the same from time to time as the Board may deem necessary or appropriate. These rules and regulations shall be binding on the co-owners and occupants of each apartment, their successors and assigns. A copy of such rules and regulations and copies of any amendments thereto shall be delivered or mailed to each co-owner promptly upon the adoption thereof.

Clause (n). To keep the buildings and other improvements of each condominium unit as well as the property of the Association insured for the benefit and protection of the Association and the owners of the apartments and their respective mortgagees, as their interests may appear, in amounts equal to their maximum insurable values, excluding foundation and excavating costs, as determined annually by the Board of Directors, against the following hazards, casualties and contingencies:

(1). Loss or damage by fire and other casualties covered by a standard extended coverage endorsement.

(2). Such other risks as are or shall hereafter customarily be covered with respect to other buildings, fixtures and equipment similar in construction, design, use and location to the buildings and other property herein mentioned. There shall be attached to each such policy a mortgagee or lenders loss payable clause in form satisfactory to a majority of the mortgagees or beneficiaries under the first mortgages on the condominium units. Such majority shall consist of the holders of the notes representing 51% of the value of the bona fide mortgages on the apartments at the time the policies became effective. The Association shall pay the premiums on such policies as common expenses.

Clause (o). The Board of Directors shall also maintain public liability insurance insuring the Association and its members and employees against liability for any negligent act or commission or omission attributable to the Association or any of its members or employees and which occurs on or in any of the common areas and facilities of the condominium units or the community, commercial and recreational facilities of the Association. The Board shall also maintain such other insurance as will protect the interests of the Association, its employees, its members and mortgagees. All such insurance premiums shall be paid by the Association as common expenses.

Section 7.02 Committees. The Board of Directors may, from time to time, establish such committees as may assist the Board in the performance of its duties.

Section 7.03 Executive Committee. The Board of Directors may designate two or more of its members to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board in the management of the Association. The Board of Directors shall have the power at any time to increase or diminish the number of members of the executive committee, to fill vacancies therein, to remove any member and to change the functions or terminate the existence of such executive committee.

ARTICLE VIII

Officers

Section 8.01 Number of Officers. The officers of the Association shall consist of a President, Vice-President, Secretary, and a Treasurer and such other subordinate officers as the Board may appoint. The duties of the Secretary and Treasurer may be combined and exercised by one person.

Section 8.02 Election and Term of Office. The officers shall be chosen annually by the Board of Directors. Each officer shall hold office until his successor is chosen and qualified, or until his death, resignation, or removal.

Section 8.03 Removal. Any officer may be removed, either with or without cause, at any time, by the vote of a majority of the members of the Board of Directors at any meeting called for that purpose.

Section 8.04. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect at the time specified therein.

Section 8.05 Vacancies. Whenever any vacancy shall occur in any office by reason of death, resignation, removal, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office during the remainder of the term for which his predecessor was elected.

Section 8.06 Compensation. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred by them in the discharge of their duties.

Section 8.07 The President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and the Board of Directors. The President shall be a member of the Board of Directors and shall have the general powers and duties usually vested in the office of President of an Association, including but not limited to, the power to appoint committees from among the members to assist him in the conduct of the affairs of the Association.

The acts and deeds of the President shall be subject to review and approval by the Board of Directors.

Section 8.08 The Vice-President. The Vice-President shall perform all duties incumbent upon the President during the absence or disability of the President, and shall perform such other duties as these By-Laws may require or as the Board of Directors may prescribe.

Section 8.09 The Secretary. The Secretary shall attend all meetings of the Board of Directors and the members of the Association and shall record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall perform like duties for any committees when required. He shall have charge of the minute book and such records and papers as the Board shall direct. He shall perform all duties incident to the office of the Secretary including the sending of notices of meetings and such other duties as may be prescribed by these By-Laws, the Board of Directors or the President.

Section 8.10 The Treasurer. The Treasurer shall have responsibility for the funds of the Association and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys, checks and other valuable effects in the name and to the credit of the Association in such bank accounts as may from time to time be designated by the Board of Directors. He shall render to the President and Directors at regular meetings of the Board an account of his transactions as Treasurer and of the financial condition of the Association.

ARTICLE IX

Indemnification of Officers and Directors

Section 9.01 Indemnification. The Association shall indemnify every Director and officer, his heirs, executors and administrators, against loss, costs and expenses,

including attorney fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association except as to matters as to which he shall be adjudged finally in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by legal counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses provided, however, that nothing in this article shall be deemed to obligate the Association to indemnify any co-owner of an apartment who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association or as a member or co-owner of an apartment in any condominium unit.

ARTICLE X

Council of Co-owners

Section 10.01 Annual Meeting. The annual meeting of the Council of Co-owners for each condominium unit shall be held in May of each year prior to the annual meeting of the members of the Association at the place, day and hour fixed by the President or by the Unit Director for that particular condominium unit.

Section 10.02 Special Meetings. A special meeting of the Council of Co-owners may be called by the President, the Unit Director or upon written petition of a majority of co-owners of the condominium unit. The petition shall be presented to the President and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 10.03 Notice. A written notice, stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting

is called shall be delivered or mailed by the Secretary of the Association to each co-owner in good standing at such address as appears upon the records of the Association and delivered or posted at least seven days prior to the date of such meeting. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 10.04 Number of Votes. Each co-owner shall be entitled to cast that number of votes on each matter coming before the meeting which is equal to the percentage of the common areas to which the co-owner is entitled multiplied by 1,000. In the event an apartment is owned by more than one person only one such co-owner shall be able to cast the votes for such apartment.

Section 10.05 Proxies. A co-owner may vote either in person or by proxy. Where voting is by proxy, the co-owner shall duly designate his attorney-in-fact in writing and deliver the same to the Secretary of the Association prior to commencement of the meeting. A proxy shall be valid for the specific meeting for which it is given, and it shall remain in effect for any postponement or recess of that meeting.

A proxy may be cancelled prior to its use by submission of a written statement filed with the Secretary or by the appearance in person of the member at the meeting for which the proxy was given.

Section 10.06 Quorum. The presence in person or by proxy of co-owners eligible to cast at least 51% of the total vote of the co-owners for such unit shall constitute a quorum at all meetings of the Council of Co-owners.

Section 10.07 Majority Decision. All decisions, except as otherwise expressly set forth in these By-laws, shall require for passage the affirmative vote of co-owners eligible to cast a majority of the votes of the co-owners of such condominium unit.

Section 10.08 Unit Advisory Council. At the annual meeting of the Council of Co-owners each condominium unit may elect not less than three nor more than five of its co-owners to serve on a Unit Advisory Council. The Unit Director for such condominium unit shall serve as the chairman of this council. The Unit Advisory Council will act as an advisory body to the Unit Director and shall not have the authority to make binding commitments on the budget, assessments or capital expenditures of such condominium unit.

ARTICLE XI

Common Expense Budgets

Section 11.01 Unit Expense Budget. Annually on or before the date of the annual meeting of the Council of Co-owners for each condominium unit, the Board of Directors of the Association shall prepare a proposed budget for the unit expenses of each condominium unit for the ensuing fiscal year. A copy of such proposed budget shall be sent to each co-owner prior to such annual meeting of the Council of Co-owners.

The unit expense budget so prepared may contain the following categories:

(1). Unit insurance.

(2). Electricity.

(3). Water.

(4). Sewage.

(5). Elevators.

(6). Routine current maintenance.

(7). Miscellaneous expenses.

(8). Reserve for deferred maintenance, replacement and additional improvements.

The proposed unit expense budget shall be submitted at the annual meeting of the Council of Co-owners for adoption and upon its adoption shall constitute the assessment for unit expenses for the ensuing fiscal year, for the payment of which each member of the Association is obligated to contribute in that share and amount as required by these By-Laws.

At the annual meeting of the Council of Co-owners, the budget prepared by the Board of Directors may be approved in whole or in part or it may be amended in whole or in part; provided however, in no event shall the annual meeting of the Council of Co-owners be adjourned until an annual budget is approved and adopted.

Section 11.02 Additional Unit Expenses. From time to time unit expenses of an unusual or extraordinary nature may arise. At such time, and upon the recommendation of the Unit Director of the affected condominium unit, the Board of

Directors of the Association shall have the full right, power and authority to make special assessments which shall be assessed against the apartments in that condominium unit in the same ratio as the unit expenses have been allocated.

Section 11.03 Community, Commercial and Recreational Expense Budget. The Board of Directors of the Association shall prepare and adopt prior to the beginning of each fiscal year a proposed budget for the community, commercial and recreational expenses of the Association for the ensuing fiscal year. A copy of such proposed budget shall be sent to each member prior to the annual meeting of the Association.

The community, commercial and recreational expense budget so prepared may include the following categories:

(1). Security.

(2). Office.

(3). Board activities.

(4). Swimming pool and community rooms.

(5). Lawns and streets.

(6). Snow removal.

(7). Equipment and supplies.

(8). Trash removal.

(9). Legal and audit expenses.

(10). Association insurance.

The proposed community, commercial and recreational expense budget shall be submitted at the annual meeting of the Association for adoption, and upon its adoption shall constitute the community, commercial and recreational expenses of the Association for the ensuing fiscal year, for the payment of which each co-owner is obligated to contribute in the share and amount as determined by these By-Laws.

At the annual meeting of the Association, the budget so prepared may be approved in whole or in part or may be amended in whole or in part.

Section 11.04 Additional Community, Commercial and Recreational Expenses. The Board of Directors may increase the amount of the community, commercial and recreational assessment whenever they determine that it is necessary to do

so in order to meet increased operating or maintenance costs, or because of emergencies; however, all such increased or special assessments shall be made or levied against each co-owner in the same proportion as the community, commercial and recreational expenses had been allocated.

The Board may not approve capital expenditures exceeding 10% of the community, commercial and recreational budget without the prior approval of the members at an annual or special meeting of the Association.

ARTICLE XII

Special Association Acts, Negotiable Instruments, Deeds, Contracts and Stock

Section 12.01 Execution of Negotiable Instruments. All checks, drafts, bills of exchange and orders for the payment of money of the Association shall be signed by any two of the following officers: the President, Vice-President, Secretary, Treasurer or Assistant Secretary. The Board of Directors may, however, authorize any one or more of such officers to sign checks, drafts, bills of exchange and orders for the payment of money by the Association singly and without necessity of countersignature; and the Board of Directors may designate any employee or employees of the Association, in addition to those named above, who may, in the name of the Association, execute checks, drafts, bills of exchange and orders for the payment of money by the Association or on its behalf.

Section 12.02 Execution of Deed, Contract, Etc. All deeds, notes, bonds, and mortgages made by the Association and any other written contracts and agreements to which the Association shall be a party shall be executed in its name by the President or the Vice-President and the Secretary or Assistant Secretary shall attest the execution thereof.

Section 12.03 Depository of Association Funds. The Merchants National Bank of Muncie, Indiana, is designated as the depository of the funds of the Association. The Board of Directors may, from time to time, change such depository and authorize the President and Treasurer to execute deposit agreements in accordance therewith.

ARTICLE XIII

Obsolescence

Section 13.01. In the event the Board of Directors of the Association shall by resolution determine that the

existing buildings in any condominium unit are obsolete and should be sold, such resolution of the Board may be submitted for adoption at any annual or special meeting of the Council of Co-owners of said condominium unit to determine whether the entire condominium unit should be placed on the market and sold.

In the event of the affirmative vote of co-owners of such unit eligible to cast not less than 90% of the total votes of all co-owners present at such meeting, in person or by proxy, adopting and approving such resolution of the Board, then the Council of Co-owners, with the consent of all first mortgagees, shall proceed to sell and convey the entire condominium unit. The net proceeds of the sale, after payment of all costs and expenses thereof, shall be distributed to the co-owners of the apartments in said condominium unit in accordance with their respective undivided interests in the common areas and facilities as set forth in the Declaration for that condominium unit subject only to the rights of the outstanding mortgage holders.

Section 13.02. In the event that the Board of Directors of the Association shall by resolution determine that any of the community, commercial and recreational facilities or any other real or personal property of the Association is obsolete and should be sold or demolished or replaced, such resolution of the Board may be submitted for adoption at any annual or special meeting of the members of the Association.

In the event of the affirmative vote of members eligible to cast not less than 90% of the total votes of all members of the Association present at such meeting, in person or by proxy, adopting and approving such resolution of the Board, then the Board, with the consent of all mortgagees, shall proceed to sell, demolish or replace such property in accordance with the resolution so adopted and approved, and to assess the costs and expenses thereof in accordance with the percentages for the allocation of the community, commercial and recreational expenses of the Association as set forth in Article VII, Section 7.01, Clause (b).

ARTICLE XIV

Dissolution

Section 14.01. In the event it shall be deemed advisable and for the benefit of the members of the Association that the Association should be dissolved, the Board and the members shall proceed in accordance with the procedures concerning dissolution set forth in the Indiana Horizontal Property Act.

Section 14.02. In the event of dissolution, the assets of the Association remaining after the payment of its debts, including mortgages and other encumbrances, and the costs and expenses of the dissolution shall be distributed to the members of the Association in accordance with the method and percentages adopted and used for the allocation of the community, commercial and recreational expenses of the Association as set forth in Article VII, Section 7.01, Clause (b).

ARTICLE XV

Amendments to By-Laws

Section 15.01. These By-Laws may be amended from time to time by the affirmative vote of members eligible to cast not less than 67% of the total vote of all members of the Association, in person or by proxy; provided however, no such amendment shall be operative until it is embodied in an instrument which shall be recorded in the office of the Recorder of Delaware County, Indiana, in the same manner as is required for a condominium unit Declaration.