

CODE OF BY-LAWS
OF
JEFFERSON PLACE CONDOMINIUMS
HORIZONTAL PROPERTY REGIME
Allen County, Indiana

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CODE OF BY-LAWS
OF
JEFFERSON PLACE CONDOMINIUMS ASSOCIATION, INC.

ARTICLE I

IDENTIFICATION AND APPLICABILITY

Section 1.01. IDENTIFICATION AND ADOPTION. These By-Laws are adopted in conjunction with the incorporation of JEFFERSON PLACE CONDOMINIUMS ASSOCIATION, INC. and are in accord with the By-Laws of Jefferson Place Condominiums Horizontal Property Regime which were attached and made a part of the Declaration creating Jefferson Place Condominiums Horizontal Property Regime. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association.

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

ARTICLE II

MEETINGS OF THE ASSOCIATION

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

Section 2.02. ANNUAL MEETINGS. The annual meeting of the members of the Association shall be held on the third Sunday of January, or at such other date and time during the month of January, of each calendar year as the Association may determine. At the annual meetings, the Owners shall elect the Board of Directors of the Association in

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

Section 2.03. SPECIAL MEETINGS. A special meeting of the members of the Association may be called by resolution of the Board of Directors or upon a written petition of not less than twenty-five percent (25%) of the Owners. The resolution or petition shall be presented to the President or Secretary of the Association, and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04. NOTICE AND PLACE OF MEETINGS. Written notice stating the date, time and place of any meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Owner not less than ten (10) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Association; and, in the case of the annual meeting notice, there shall be included to each Owner a copy of the proposed budget for the next succeeding business year, and a list of persons nominated for election to the Board of Directors for such business year. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. VOTING.

A. NUMBER OF VOTES. Each Home shall be entitled to one vote, cast by its Owner, on any issue subject to a vote, and no cumulative voting shall be permitted on any issue or item subject to a vote. On all votes taken, the majority vote required for passage, as herein respectively provided, shall be said majority of the votes actually cast, not of the total votes which could have been cast.

B. VOTING BY CORPORATION OR TRUST. Where a corporation or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the corporation duly empowered by the Board of Directors of such corporation may cast the vote to which the corporation is entitled. The secretary of the corporation or a trustee of the trust so entitled to vote shall deliver, or cause to be delivered, prior to the commencement of the meeting, a certificate, signed by such person, to the Secretary of the Association stating who is authorized to vote on behalf of said corporation or trust.

C. PROXY. An Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Owner shall duly designate his attorney-in-fact in writing and have a copy thereof delivered to the Secretary of the Association prior to the commencement of the meeting.

D. QUORUM. Except where otherwise expressly provided in the Declaration, these By-Laws, or the Act, the Owners representing thirty-three percent (33%) of the vote shall constitute a quorum at all meetings. Unless a percentage, or fractional, figure is specifically stated herein at the various paragraphs hereof, then the terms "majority of Owners" or "majority of vote" shall mean more than fifty percent (50%), or one half (½), of the Owners present, in person, or by proxy, at such meetings, and voting on the issue or item in question.

Section 2.06. CONDUCT OF MEETINGS. The Chairman of all meetings shall be the President of the Association. He shall call the meeting to order at the duly designated time, and business will be conducted in the following order:

A. READING OF MINUTES. The Secretary shall read the minutes of the last regular meeting and the minutes of any special meeting held subsequent thereto.

B. TREASURER'S REPORT. The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses, and, at the annual meeting, concerning the financial report for the prior year and the proposed budget for the current year.

C. BUDGET. At the annual meeting, the proposed budget for the current business year shall be presented to the Owners for approval or amendment and adoption. At other regular meetings, or special meetings at which expenditures are an issue, the Treasurer shall advise the relationship between the budget to date and the actual expenditures to date.

D. ELECTION OF BOARD OF DIRECTORS. Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least fourteen (14) days prior to the date of 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 Owner may cast the total number of votes to which he or she is entitled for as many nominees as are to be elected. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his or her ballot. The foregoing is subject to the provisions of Section 3.02.

E. OTHER BUSINESS. At the annual meeting other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least ten (10) days prior to the date of the meeting; however, such written request may be waived at the meeting if agreed by a majority of the Owners present in person or by proxy. At the regular meetings any topic of business relating to any aspect of management and operation of this condominium regime

maybe brought before the meeting without prior notice. At special meetings only those topics of business stated in the notice of the meeting may be discussed or voted upon.

F. ADJOURNMENT.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. AUTHORITY. The affairs of the Association shall be governed and managed by the Board of Directors (herein collectively called "Board" or "Directors", and individually called "Director"). The Board of Directors shall be composed of at least three (3) persons, and no more than nine (9) persons. No person shall be eligible to serve as a Director unless he or she is an Owner or Declarant, or is an attorney, agent, or employee of Declarant.

Section 3.02. INITIAL BOARD OF DIRECTORS. The initial Board of Directors of the Corporation shall be: Carlos Tiernon, Harold Jewett, Arlene Frash, Jackie Schwegler, Jill Dixon, Tom Ernst, Sharon Melton, Roy McNett, and Joe Rajchel. The terms of these initial Directors shall be staggered in termination in accord with their terms on the Board of Directors of the unincorporated association which functioned previously, such that one third (1/3) shall expire each year. The term of each successor Director shall be three (3) years, and, if additional Directors are authorized by amendment of these By-Laws and are elected, the term of service for each shall be in three (3) year increments, but the initial terms shall be adjusted such that the terms of one third (1/3) of the total directorate shall expire annually. The number of members of the Board of Directors may be changed from time to time by a two-thirds (2/3) majority vote of the Owners, subject to the minimum and maximum above stated.

Section 3.03. ADDITIONAL QUALIFICATIONS. Where an Owner consists of more than one (1) person or is a partnership, corporation, trust, or other legal entity, then one (1) 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 Home may be represented on the Board of Directors by more than one (1) person at a time.

Section 3.04. TERM OF OFFICE AND VACANCY. The term of office of each member of the Directors shall be as stated in, and subject to, the provisions of Section 3.02. Successor Directors shall be elected at each annual meeting of the Association. There shall be no limit on the number of successive terms on the Board any Director may serve. Any vacancy, or vacancies, occurring in the Board, by reasons other than expiration of term or pursuant to Section 3.05, shall be filled by a vote of a majority of the remaining

Directors. If a Director is removed in accordance with Section 3.05 of Article III, the successor shall be elected as provided in said Section 3.05.

Section 3.05. REMOVAL OF DIRECTOR. A Director, or Directors, except the initial Board of Directors, may be removed with, or without, cause by a vote of a two-thirds (2/3) majority of the Owners at a special meeting of the Owners for that purpose duly called and constituted. In such case his or her successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve the unexpired balance of the term of the removed Director.

Section 3.06. DUTIES OF THE BOARD OF DIRECTORS. The Board of Directors shall provide for the administration of JEFFERSON PLACE CONDOMINIUMS HORIZONTAL PROPERTY REGIME, the maintenance, upkeep, and replacement of the Common Areas and Limited Common Areas, and the collection and disbursement of the Common Expenses. These duties include, but are not limited to:

- A. Protection, surveillance, and maintenance of the Common Areas and Limited Common Areas.
- B. Procuring the utilities used in connection with JEFFERSON PLACE CONDOMINIUMS, removal of garbage and waste, and snow removal from the Common Areas.
- C. Landscaping, painting, decorating, and furnishing of the Common Areas and Limited Common Areas, the exterior of the buildings and walls.
- D. Surfacing, paving, and maintaining streets, parking areas and sidewalks.
- E. Assessment and collection from the Owners of the Owners' respective pro rata shares of the Common Expenses.
- F. Preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered.
- G. Preparing and delivering annually to the Owners, prior to the annual meeting, a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with the delivery of the proposed annual budget for the current year.
- H. Keeping a current, accurate, and detailed record of receipts and expenditures affecting the Property, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by an Owner at any time during

normal business hours.

Section 3.07. POWERS OF THE BOARD OF DIRECTORS. The Board of Directors shall have such powers as are reasonable and necessary to accomplish their performance of their duties. These powers include, but are not limited to, the power:

- A. To employ a managing agent or a real estate management company, either being hereinafter referred to as "Managing Agent", to assist the Board in performing its duties.
- B. To purchase, for the benefit of the Owners, such equipment, materials, labor, and services as may be necessary in the judgment of the Board of Directors.
- C. To employ legal counsel, architects, 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 JEFFERSON PLACE CONDOMINIUMS.
- D. To include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom.
- E. To open and maintain a bank account or accounts in the name of the Association.
- F. To adopt, revise, amend, and alter, from time to time, reasonable rules and regulations with respect to use, occupancy, operation, and enjoyment of the Property.

Section 3.08. LIMITATION ON BOARD ACTION. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total annual expenditure of less than two thousand five hundred dollars (\$2,500.00) without obtaining the prior approval of a majority of Owners, as defined in Article II, Section 2.05 (D), except in the following cases:

- A. Contracts for replacing or restoring portions of the Common Areas or Limited Common Areas damaged or destroyed by fire or other casualty where the total cost thereof is payable out of insurance proceeds actually received.
- B. Proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting.
- 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.

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

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

Special meetings of the Board may be called by the President or any other 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 and at such time within Allen County, Indiana, as shall be designated in the notice.

Section 3.11. WAIVER OF NOTICE. Before any meeting of the Board any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place, and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

Section 3.13. NON-LIABILITY OF DIRECTORS. The Directors shall not be liable to the Owners for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith, or gross negligence. The Owners shall indemnify and hold each of the Directors harmless against any and all liability to any person, firm, or corporation arising out of contracts made by the Board of behalf of JEFFERSON PLACE CONDOMINIUMS, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of JEFFERSON PLACE CONDOMINIUMS or the Association, and that in all matters the Board is acting for, and on behalf of, the Owners and as their agent. The liability of any Owner arising out of any contract made by the Board; (1) for the maintenance, upkeep, and repair of the Common Areas shall be limited to that portion equal to the Owner's Fractional Interest; (2) for the maintenance,

repair, and upkeep of the Limited Common Areas shall be limited to the extent of the Owner's pro rata right to use and enjoyment thereof; or, (3) for the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to his or her Fractional Interest. Every contract made by the Board, or the Managing Agent, on behalf of JEFFERSON PLACE CONDOMINIUMS shall provide that the Board of Directors and the Managing Agent, as the case may be, is acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners according to the limits herein above set forth.

ARTICLE IV

OFFICERS

Section 4.01. OFFICERS OF THE ASSOCIATION. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. No two offices may be held by the same person.

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

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

Section 4.04. THE VICE PRESIDENT. The Vice President shall be elected from among the 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 by the Board or by the President.

Section 4.05. THE SECRETARY. The Secretary shall attend all meetings of the Association and of the Board and shall keep, or cause to be kept, a true and complete

record of the proceedings of such meetings, shall perform all other duties incident to the office of Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed, or delivered, in accordance with the provisions of these By-Laws.

Section 4.06. THE TREASURER. The Treasurer shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association, and shall perform such other duties incident to the office of Treasurer. He or she shall be the legal custodian of all monies, notes, securities, and other valuables which may from time to time come into possession of the Association. He or she shall immediately deposit all funds of the Association coming into his or her hands in some reliable bank or other depository to be designated by the Board, and shall keep such bank account in the name of the Association. The Treasurer shall make all payments, on the basis of a proper invoice, by checks which shall be signed by him or her and one other officer.

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

ARTICLE V

ASSESSMENTS

Section 5.01. ANNUAL ACCOUNTING. Annually, after the close of the Association's accounting year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a Certified Public Accountant then serving the Association, which statement shall show all receipts and expenses received, incurred, and paid during the preceding calendar year.

Section 5.02. PROPOSED ANNUAL BUDGET. Annually, on or before the date of the annual meeting of the Association, the Board of Directors shall, strictly adhering to the provisions of I.C. 32-1-6-22, cause to be prepared a proposed annual budget for the ensuing business year estimating the total amount of the Common Expenses for the ensuing year and furnish a copy of such proposed budget to each Owner with the notice of the annual meeting. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption, either as proposed or as the Owners shall, by amendment, determine appropriate, and, when so adopted, shall be the basis for the regular Assessments (hereinafter defined) for the ensuing business year. In no event shall the annual meeting of the Owners be adjourned until an annual budget is approved at such

meeting; and, until the annual budget is adopted, the Directors are authorized to collect and expend monies only based on the prior year's budget.

Section 5.03. REGULAR ASSESSMENTS. The annual budget, as adopted, shall, based on the estimated cash requirement for the Common Expenses in the ensuing year as set forth in said budget, contain a proposed assessment against each said Home calculated in accord with the provision of Subject Paragraphs 11, 15, 18, 19, and 20 of the Declaration and the provisions herein set forth. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against each respective Home (herein called the "Regular Assessment"). The Regular Assessment against each Home shall be paid in equal quarterly installments, commencing on the first day of February of such year and quarterly thereafter through and including the following November first. Payment of the quarterly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; however, Owners may elect to pay quarterly assessments semi-annually or annually, in advance. The Regular Assessment for said year shall become a lien on each separate Home as of February first of such year.

Section 5.04. SPECIAL ASSESSMENTS. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners unless otherwise provided by these By-Laws, the Declaration, or the Act, the Board of Directors shall have the full right, power, and authority to make special assessments for each such occurrence, but not in excess of five hundred (\$500.00) dollars, in the aggregate per Home per Association year, which, upon resolution of the Board, establishing and approving same, and establishing the date same is due and payable, shall become a lien on each Home, prorated in accordance with the provisions of the Declaration and these By-Laws.

Section 5.05. LIEN FOR ASSESSMENTS.

A. All liens assessed, but unpaid by an Owner when due, for the share of Common Expenses chargeable to a respective Home, including interest thereon at ten percent (10%) per annum from the due date forward, shall constitute a lien on such Home superior and prior to all other liens and encumbrances, excepting only two:

1. All taxes and special assessments levied by governmental and taxing authorities, and
2. All liens securing sums due, or to become due, under any duly recorded mortgage lien or deed of trust.

B. To evidence such lien, the Association may, but shall not be required to,

prepare written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Home, and description of the Home. Such notice shall be signed by one of the Board of Directors and may be recorded in the Office of the Recorder of Allen County, Indiana. Such lien for the Common Expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by foreclosure of the defaulting Owner's Home by the Association. Any such foreclosure sale is to be conducted in accordance with the provisions of I.C. 32-1-6-24. In any such foreclosure, the Owner shall be required to pay all of the costs and expenses of such collection and foreclosure proceedings, including all reasonable attorney's fees. The Owner shall also be required to pay to the Association a reasonable rental for the Home during the period of foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. But, in the event the Owner shall redeem said Home from such collection and/or foreclosure proceedings, then such Home rental shall be canceled, and, if already paid by said Owner, shall be either returned to such Owner or credited to future assessments remaining due. The Association shall have the power to bid on the Home at foreclosure sale and to acquire and hold, lease, mortgage, and convey same.

C. The amount of the Common Expenses assessed against each Home shall also be the debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses may be maintainable without foreclosing or waiving the lien securing same.

D. Any party holding a lien on a Home may pay any unpaid Common Expenses payable with respect to such Home, and upon such payment, said party shall have a lien on such Home for the amount paid of the same rank as the lien of his encumbrance.

Section 5.06. MAINTENANCE AND REPAIRS. Every Owner shall promptly perform all maintenance and repairs within his or her own Home, which, if neglected, would affect the value of the Property. Maintenance and repairs which the Owner is responsible to make at his expense include, but are not necessarily limited to: (1) water, gas, plumbing and electric lines which service the Owner's Home only and are located within exterior walls of the Home, including any lines in the area from below the floor to above the roof, if they are within an extension of the exterior walls of the Home; (2) appliances, to include garbage disposals, dishwashers, stoves, ranges, and refrigerators; (3) telephones; (4) air conditioning and heating equipment; (5) doors, screens, windows, to include exterior and interior of all glass and screen surfaces; (6) lamps which are attached to the Home structure, or the Common Areas intended for the exclusive use and benefit of said Home; (7) interior and exterior grouting and/or caulking; and (8) all other accessories appurtenant to the Home.

Section 5.07. MECHANIC'S AND MATERIALMEN'S LIENS. No labor performed or materials furnished and incorporated in a Home, notwithstanding the consent or request of the Owner, his or her agent, contractor, or subcontractor, shall be the basis for filing of a lien against the Common, or Limited Common, Areas owned by such other Owners.

Section 5.08. STATEMENT OF ASSESSMENTS. Upon the written request of any Owner, purchaser, lienholder, or prospective lienholder of a Home, the Association, by its Board of Directors, shall issue a written statement setting forth the unpaid assessments, if any, with respect to the subject Home, the amount of the periodic assessments, the date of such assessment(s) and the due date(s), credit for advance payments or for prepaid items, including, but not limited to, insurance premiums and real estate taxes and assessments, which shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid assessments which become due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement, and, if this request is made by a grantee prior to accepting any legal document of conveyance, such Grantee shall not be liable for, nor shall the Home being conveyed be subject to a lien for, any unpaid assessment against it accruing prior to said ten (10) day period.

The purchaser, donee, or other transferee of a Home, herein called "Grantee", by deed or other writing shall be jointly and severally personally liable with the transferor of such Home (herein called "Grantor") for all past due and unpaid assessments against the Home if Grantee so agrees by the terms of the document of conveyance, but such assumption of liability shall not prejudice the rights of Grantee to reimbursement from Grantor.

Section 5.09. ACCOUNTING PRINCIPLES AND PROCEDURES. The Board of Directors, or its duly authorized agents shall at all times keep and maintain a record of receipts and expenditures in strict compliance with the provisions of I.C. 32-1-6-27. Each invoice shall be paid by a check, drawn upon the appropriate Association checking account, maintained in a banking or savings and loan institution in Allen County, Indiana, signed by the Association Treasurer, or his duly authorized agent, provided such invoice has first been approved for payment by the Association President, or his duly authorized agent.

ARTICLE VI

RESTRICTIONS ON USE.

Section 6.01. RESTRICTIONS. The following restrictions, in addition to those set forth in the Declaration, on the use and enjoyment of the Home, Common Areas, and

Limited Common Areas shall be applicable to JEFFERSON PLACE CONDOMINIUMS:

- A. All Homes shall be used exclusively for residential purposes and the occupancy for a single family and their guests and invitees.
- B. No additional buildings shall be erected or located on the Tract other than the Structural Units and buildings designated in the Declaration, and shown on the plans, or a supplemental Declaration, and the plans filed with such supplemental Declaration, without the consent of the Association.
- C. Nothing shall be done or kept in any Home or in the Common Areas or Limited Common Areas which will cause an increase in the rate of insurance on any building, Structural Unit, or the contents thereof. No Owner shall permit anything to be done or kept in his or her Home or in the Common Areas or Limited Common Areas which will result in a cancellation of insurance on any building or contents thereof, or which would be in violation of any law or ordinance.
- D. No waste shall be committed in the Home, Common Areas, or Limited Areas.
- E. No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a Structural Unit, and no sign, awning, canopy, shutter, radio or television antenna, or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs of any other parts of any Structural Unit without the prior consent of the Board.
- F. Not animals, livestock, or poultry of any kind, except small pet dogs, cats, or customary household pets not kept, bred, or maintained for any commercial purpose, and not creating a nuisance, shall be raised, bred, or kept in any Home or in the Common Areas or Limited Common Areas. A pet shall be taken outdoors only under leash and while attended by its owner, and an Owner shall be fully liable for any damage to the Common Areas or Limited Common Areas caused by said pet. The tethering of pets in an unfenced area does not constitute "attended." Pets should be walked in an area not common to residents, and pet leavings on the main grounds and walks should be picked up by the pet's owner and disposed of in a proper receptacle. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Property upon five (5) days written notice from the Board to the respective Owner.
- G. Nothing shall be done or permitted in any Home which will impair the structural integrity of any Structural Unit, except as otherwise provided in the Declaration or these By-Laws; nor shall the premises be used in any unlawful

manner or in any manner to cause injury to the reputation of the Home, or the Property, or to be a nuisance, annoyance, inconvenience, or damage to other tenants of the Structural Unit or neighborhood, including, without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers, or other equipment or machines or loud persons.

H. No clothes, sheets, blankets, rugs, laundry, or other things shall be hung out or exposed on any parts of the Common Areas and Limited Common Areas. The Common Areas and Limited Common Areas shall be kept free and clear of rubbish, debris, and other unsightly materials.

I. No industry, trade, or other commercial or religious activity, educational, or otherwise, designed for profit, altruism, or otherwise, shall be conducted, practiced, or permitted on the Property.

J. No "For Sale", "For Rent", or "For Lease" signs or other window or advertising display shall be maintained or permitted on any part of the Property or any Home without the prior consent of the Board, excepting here from the sign of a licensed Realtor pursuant to, and only while same is in effect, a valid listing agreement, the size of which shall not exceed thirty inches (30") in width by thirty-six inches (36") in height; however, the right is reserved by the Declarant, its successors and assigns, should such successors and assigns purchase more than one (1) Home, and the Board to place or allow to be placed "For Sale" or "For Lease" signs on or about any unsold or unoccupied Homes.

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

L. No boats, campers, trailers of any kind, buses, trucks, mobile homes, motorcycles, minibikes, or any other unconventional vehicles of any description, or any other sporting paraphernalia, shall be permitted, parked or stored anywhere within the Property; however, nothing herein shall prevent the parking or storage of such vehicles completely enclosed within a garage, unless same is in violation of the provisions of Article VI, Section 6.01, C.

M. No Owners shall be allowed to plant trees, landscape, or do any gardening in any of the Common Areas or Limited Common Areas, except with the express permission from the Board, but said consent shall be unreasonably withheld.

N. There may be installed a yardlight in front of said Home within twenty feet (20') of the curb of the street abutting said Home, which said yardlight shall be maintained at all times by the Owner of said Home, his or her grantee, assigns, or successors, in title or possessory interest.

Section 6.02. RIGHT OF ENTRY. An Owner or occupant of a Home hereby grants the right of entry to the Managing Agent, or any other person authorized by the Board, in case of any emergency originating in or threatening his or her Home, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives, upon prior request to enter the subject Home at a time convenient to the Owner, to enter his or her Home for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, or to make structural repairs. In case of emergencies, such right of entry shall be immediate.

Section 6.03. RIGHT OF BOARD TO ADOPT RULES AND REGULATIONS. The Board, by majority vote, may promulgate such additional rules and regulations, and subsequent amendments thereto, regarding the operation of the Property, including, but not limited to, the use of the Common Areas and Limited Common Areas, as it may from time to time deem necessary, and the Board shall cause copies of such rules to be delivered or mailed promptly to all Owners.

ARTICLE VII

AMENDMENT TO BY-LAWS

Section 7.01. These By-Laws may be amended by a vote of a majority of the Owners present in person or by proxy and voting in a duly constituted meeting called for such purpose.

ARTICLE VIII

MORTGAGES

Section 8.01. NOTICE TO ASSOCIATION. Any Owner who places a mortgage lien upon his or her Home, or the mortgagee, shall notify the Secretary of the Association and provide the name and address of the mortgagee. A record of such mortgagee's name and address shall be maintained by the Secretary, and any notice required to be given to the mortgagee pursuant to the terms of the Declaration or these By-Laws shall be deemed effectively given if mailed to such mortgagee at the address shown in said record within the time provided. Unless notification of any such mortgage and the name and address of mortgagee are furnished to the Secretary, either by the Owner or the mortgagee, no notice

to any mortgagee, as may be otherwise required by the Declaration or these By-Laws, shall be required, and no mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled by virtue of the Declaration or By-Laws or proxy granted to such mortgagee in connection with the mortgage.