

EXHIBIT C

BY-LAWS

OF

MIDDLETON PLACE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Members
(UNIT OWNERS)

SECTION 1. Eligibility. There shall be one class of Members of Middleton Place Condominium Association. The Members shall consist of the respective Unit owners of the Property known as Middleton Place Condominium located within the Town of Fishers, Indiana (called "Property"), in accordance with the respective percentages of ownership interest in the Common Areas of the Property owned by the respective Unit owners (these and other terms are used in these By-Laws as they are defined in the Middleton Place Condominium Declaration for Middleton Place Condominium Association, which Declaration is recorded in the office of the Recorder of Hamilton County, Indiana. The words "member" or "members" as used in these By-Laws means and shall refer to "Unit owner" or "Unit owners", as the case may be, as defined in the Declaration). If a Unit owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit owner or such a beneficiary is a corporation or partnership, the member may be an officer, partner, or employee of such Unit owner or beneficiary.

SECTION 2. Succession. The membership of each Unit owner shall terminate when he ceases to be a Unit owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit owner succeeding to such ownership interests.

SECTION 3. Regular Meetings. The first regular annual meeting of Unit owners (the "First Meeting") may be held within the limits of the Town of Fishers, subject to the terms hereof, on any date, at the option of the Board, provided, however, that said First Meeting shall be held not later than either (a) sixty (60) days after Portrait Homes L.L.C. ("Declarant) has sold and delivered its deed for at least 75% of the Units, or (b) twenty-four (24) months from the recording date of the Declaration, whichever is earlier, provided, however, that (a) in computing the aforementioned "75%" figure, the numerator shall be the number of Units which have been sold and for which a deed has been delivered, and the denominator shall be the maximum number of Units which may be created on the Property together with the Additional Property, as said maximum number is set forth in Section 8 of Article XVIII

of the Declaration, and (b) if additional property is added pursuant to the Declaration, then the aforementioned two (2) year period shall be extended for an additional 1 year from the date of recording the amendment to this Declaration and the amendment to the Plat which establishes the addition of the Additional property. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit owners held each year within limits of the Town of Fishers, within fifteen (15) days of the anniversary of the First Meeting, one of the purposes of which shall be to elect members of the Board. All such meetings of Unit owners shall be held at such place in Hamilton County, Indiana, and at such time, and for purposes as specified in the written notice of such meeting which shall be mailed to all Unit owners at least ten (10) days and not more than sixty (60) days prior to the date of such meeting, except that notice of the First Meeting shall be given at least twenty-one (21) days prior to the date of such Meeting. Regarding the First Meeting, the Declarant shall provide to any Unit owner the names, addresses, telephone numbers (if available), and weighted vote of each Unit owner entitled to vote at the Meeting within three (3) working days of the request. Unit owners shall receive this same information with three (3) working days of request for each subsequent meeting to elect members of the Board. The method of calling meetings shall be by the aforesaid written notice sent by the Board, copies of which notice may also be either delivered personally to the Unit owners or to the entry door of their Unit or posted conspicuously in the hallways, lobbies, or on bulletin boards or other parts of the Common Areas, at the discretion of the Board.

SECTION 4. Special Meetings. Special meetings of the Unit owners may be called by the President or by a majority of the directors of the Board, or by twenty percent (20%) of the Unit owners. Said special meetings shall be called by delivering written notice to all Unit owners not less than ten (10) days nor more than sixty (60) days prior to the date of said meeting, stating the date, time and place of said special meeting within the Town limits of Fishers and the matters to be considered. Matters to be submitted by Unit owners shall first be submitted to the Board, at least five (5) days prior to the special meeting, who shall then submit such matters to the special meeting.

SECTION 5. Voting Member. There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Unit owners. Such Voting Members shall be the Unit owner or one of the group composed of all the Unit owners of a Unit or may be some person designated by such Unit owners to act as proxy of his or their behalf and who need not be a Unit owner. The proxies shall give the Unit owner the right to express a preference from among the known candidates or to write in a name. Such designations shall be dated, shall be made in writing to the Board prior to the meeting, shall be executed by the Unit owner or his duly authorized attorney in fact or by any of multiple owners of a Unit as set forth below, and shall be revocable at any time by actual notice to the Board of the death or judicially declared

incompetence of any designator, or by written notice to the Board by the Unit owner or Unit owners, and such designations shall be invalid after 11 months from their date unless provided otherwise therein. Any or all Unit owners of a Unit, and their designee, if any, may be present at any meeting of the Voting Members, but only the Voting member of the Unit may vote or take any other action as a Voting Member either in person or by proxy. The Declarant shall designate the voting member with respect to any Unit owned by the Declarant. In the absence of any written designation with respect to a particular Unit, the Board shall be entitled to conclusively rely on a vote cast by anyone of the group composed of all Unit owners of that particular Unit.

SECTION 6. Voting. The aggregate number of votes for all Unit owners shall be one hundred (100), and shall be divided among the respective Unit owners in accordance with their respective percentages of ownership interest in the Common Areas. If any Unit owner consists of more than one person, and if only one of the multiple owners of a Unit is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit, if more than one of the multiple owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners; there is majority agreement if any one of the multiple owners cast the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit.

SECTION 7. Quorum. A quorum of Unit owners for any meeting shall be constituted by Unit owners represented in person or by proxy and holding an aggregate of at least twenty percent (20%) of the total ownership interest in the Common Areas.

SECTION 8. Miscellaneous.

- (a) No merger or consolidation of the Association; sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the Property and assets of the Association; and the purchase or sale of property or of Units on behalf of all Unit owners shall be effectuated unless there is an affirmative vote of two-thirds ($2/3$) of the votes of Unit owners, or such greater percentage as may be provided for in the Declaration and an affirmative vote of three-fourths ($3/4$) of the eligible holder of a first mortgage lien.
- (b) When thirty percent (30%) or fewer of the Unit owners, by number, possess over fifty percent (50%) in the aggregate of the votes in the Association, any percentage vote of members specified in the Declaration, or the Act, shall require instead the specified percentage

of number of Units, rather than by percentage of interest in the Common Areas allocated to Units that would otherwise be applicable.

- (c) In the event of a resale of a Unit from other than the Declarant under an installment contract, while the purchaser resides in the Unit he shall be counted toward a quorum for the election of Board members at any meeting of the Unit owners called for the purposes of such election, shall have the right to vote for election of Board members and shall have the right to be elected and serve on the Board unless the Seller expressly retains in writing all or any of such rights. In no event may both the Purchaser and Seller be counted toward a quorum, permitted to vote, elected or permitted to serve on the Board. Satisfactory evidence of the installment contract shall be given to the Board or its agents.

ARTICLE II

Board of Directors

SECTION 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to in the Condominium Declaration as Directors of the Association shall consist of six (6) members (hereinafter referred to as "directors"). Directors shall be elected at large at the regular annual meeting of Association members by the vote of Unit owners, except that, until the election of directors at the first regular annual meeting of Members, the directors and number thereof (hereinafter called "members of the First Board") shall be appointed by the Declarant. At such annual meetings, directors, or their representatives shall have the right to be present at the counting of ballots cast during such annual meetings. The Board may, but shall not be obligated to, distribute to Unit owners, biographical and background information about candidates for election to the Board provided that (1) no preference is expressed in favor of any candidate; and (2) reasonable efforts are made to identify all candidates and (3) all candidates are given an opportunity to include biographical and background information in the information to be distributed. Those candidates for election as director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. At the initial election held at the first regular meeting of Members, those two (2) directors receiving the greatest number of votes shall hold office for a term of three (3) years, the two (2) directors receiving the next greatest number of votes shall hold office for a term of two (2) years, and the remaining two (2) directors shall hold office for a term of one (1) year. Thereafter, every director shall hold office for a term of two (2) years and until his successor shall be elected and qualified. Members of the Board may

succeed themselves.

SECTION 2. Qualifications. Except for members of the First Board, each director shall be a resident of a Unit and shall be a Unit owner (or, if a Unit owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Unit owner or such a beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Unit owner or beneficiary). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place of the Board shall be deemed vacant.

SECTION 3. Vacancies. Any vacancies occurring in the Board shall be filled by a two-thirds (2/3) vote of the remaining members thereof, except that a vacant position of the Board which was last filled by a member of the First Board may be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the time until the next meeting of Unit owners or thirty (30) days following the filing of a petition signed by Unit owners holding 20% of the Association's votes requesting a meeting of the Unit owners to fill the vacancy for the balance of its unexpired term. Such a meeting shall be called no later than sixty (60) days following the filing of such a petition signed by Unit owners holding 20% of the Association's votes.

SECTION 4. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram.

Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting. The Board shall meet at least four (4) times annually, and at such other times as the Board deems necessary. Meetings of the Board shall be open to any Unit owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the particular association has been filed and is pending in a court or administrative tribunal, or when the board finds that such action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or a Unit owner's unpaid share of Common Expenses; however, any vote on these matters shall be taken at a meeting or portion thereof open to any Unit owner. Any Unit owner may record the proceedings at meetings required to be open by this Act by tape, film or other means. The Board may prescribe reasonable rules and regulations to govern the right to make such recordings. Notice of any such meeting shall be mailed or delivered at least forty-eight (48) hours prior thereto, unless a

written waiver of such notice is signed by the person or persons entitled to such notice pursuant to the Declaration, By-Laws, or provision of law before the meeting is convened. Copies of notices of any such meetings shall be posted conspicuously in hallways, lobbies or bulletin boards at least 48 hours prior to such meeting, except if there is no common lobby for seven (7) or more Units, the Board may designate locations near said Units.

SECTION 5. Removal. Any director may be removed from office for cause by the vote of two-thirds (2/3) of the total undivided ownership of the Common Areas.

SECTION 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions adopted by the Unit owners.

SECTION 7. Quorum. Four (4) Directors shall constitute a quorum.

SECTION 8. General Powers and Duties of the Board. The powers and duties of the Board shall include, but shall not be limited to, the following matters:

- (a) operation, care, upkeep, maintenance, replacement and improvement of the Common Areas;
- (b) preparation, adoption and distribution of the annual budget for the Property;
- (c) levying of assessments;
- (d) collection of assessments from Unit owners;
- (e) employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Areas;
- (f) obtaining adequate and appropriate kinds of insurance;
- (g) owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it;
- (h) adoption and amendment of rules and regulations covering the details of the operation and use of the Property;

- (i) keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;
- (j) having access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Areas therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Areas or to any other Unit.

SECTION 9. Other Powers and Duties. The Board shall also have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Property;
- (c) to engage, if the Board deems desirable, the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Unit owners, upon such terms and for such compensation and with such authority as the Board may approve; provided however, that the First Board, appointed as provided herein, shall ratify and approve the Management Agreement between the Declarant, on behalf of the Association, and Encore Real Estate Company to act as Managing Agent for the Property for a term commencing on the date this Declaration is recorded and terminating two (2) years thereafter, which ratification and approval shall not be subject to the provisions of Article IV, Section 6 hereof;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Areas thereof;
- (e) to provide for payments for all debts, obligations, and contracts of the Association and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;
- (f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others,

and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Areas and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent):

- (g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board:
- (h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (i) to acquire such furnishing, equipment, and other personal property for the Common Areas as the Board shall determine are necessary and proper;
- (j) to maintain and repair any Unit if such maintenance and repair is necessary, in the discretion of the Board, to protect the Common Areas or any other portion of the Building, and, if a Unit owner or any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair mailed or delivered by the Board to said Unit owner, the Board may levy a special assessment against such Unit owner for the cost of said maintenance or repair.
- (k) the Board or its agent upon reasonable notice, may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible. Such entry shall be made with as little inconvenience to the Unit owner as practicable and any damage caused thereby shall be repaired by the Board as a common expense.
- (l) the Board may, in accordance with the Act, adopt such reasonable rules and regulations not consistent herewith, as it may deem advisable for the maintenance, administration, management, operation, use, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit owners and Occupants of the Property.

Written notice of such rules and regulations shall be given to all Unit owners and Occupants and the entire Property shall at all times be maintained subject to such rules and regulations.

- (m) upon authorization by a two-thirds (2/3) vote of the members of the Board or by the affirmative votes of not less than a majority of the voting members at a meeting duly called for such purposes, the Board, acting on behalf of all Unit owners, shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Indiana or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge and collect all expenses incurred in connection therewith as common expenses.
- (n) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority (51%) of the undivided interest in the Common Areas, Unit owners as expressed in a resolution duly adopted at any annual or special meeting of the Unit owners;
- (o) to exercise all other power and duties of the board or Unit owners as a group referred to in the Act, and all powers and duties of a board or a board of directors referred to in the Declaration of these By-Laws or as permitted by law.

SECTION 10. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit owners.

SECTION 11. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting at which time they could take at a meeting by obtaining the written approval of all of the directors. Any action so taken shall have the same effect as though taken at a meeting of the directors.

ARTICLE III

Officers

SECTION 1. Designation. At each regular annual meeting,

the directors present at said meeting shall elect the following officers of the Association by a majority vote:

- (a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit owners, and who shall be the chief executive of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;
- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;
- (d) such additional officers as the Board sees fit to elect.

SECTION 2. Powers. The respective officers shall have the general powers usually vested in such officers, provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit. Either the President or the Secretary may mail and receive notices and execute amendments to the Declaration as provided for in the Act and in the Declaration.

SECTION 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

SECTION 4. Vacancies. Vacancies in any office shall be filled by the Board by a two-thirds (2/3) vote of the remaining members thereof, at a special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the time until the next meeting of Unit owners or thirty (30) days following the filing of a petition signed by Unit owners holding 20% of the Association's votes requesting a meeting of the Unit owners to fill the vacancy for the balance of its unexpired term. Such a meeting shall be called no later than sixty (60) days following the filing of such a petition signed by Unit owners holding 20% of the Association's votes. Any officer may be removed for cause at any time by vote of two thirds (2/3) of the total membership of the Board at a special meeting thereof.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Unit owners.

ARTICLE IV

Assessments

SECTION 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated Common Expenses and cash requirements for the year, including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, real estate taxes, and all other Common Expenses. To the extent that the assessments and other cash income collected from the Unit owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Areas. The annual budget shall provide for a reserve for contingencies for the year and a reserve for capital expenditures, in reasonable amounts as determined by the Board. The reserve for capital expenditures shall be held in a segregated account in the name of the Association.

SECTION 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies of the proposed annual budget, together with an indication of which portions are intended for capital expenditures or repairs or payment of real estate taxes, shall be furnished by the Board to each Unit owner, not later than thirty (30) days prior to the adoption thereof. If an adopted budget requires assessment against the Unit owners in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board, upon written petition by Unit owners with 20 percent (20%) of the votes of the Association filed with fourteen (14) days of the Board action, shall call a meeting of the Unit owners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the Unit owners are cast at a meeting to reject the budget, it is ratified, whether or not a quorum is present. In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit owner shall pay, as his respective monthly assessment for the Common Expenses, one twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Unless otherwise provided in the Declaration, such proportionate share for each Unit owner shall be in accordance with his respective ownership interest in the Common Areas as set forth in Exhibit B of the Declaration. In the event

that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Areas, or the Limited Common Areas. Each Unit owner shall receive notice, in the same manner as is provided herein for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment.

SECTION 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Unit, each Unit owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Areas and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

SECTION 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit owner a statement for such year so ended, showing an itemized accounting of the Common Expenses for the preceding year actually incurred and paid including capital expenditures or repairs and real estate taxes, together with an indication of which portions were for capital expenditures or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessments, and showing the net excess or deficit of income over expenditures plus reserves, and such other information as the Board may deem desirable.

SECTION 5. Supplemental Budget. In the event that during the course of a year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit owner, and thereupon a supplemental assessment shall be made to each Unit owner for his proportionate share of such supplemental budget.

SECTION 6. Expenditures. Except with respect to such expenditures which (i) are specifically authorized by the Declaration or By-Laws, or (ii) are required by law, or (iii) can

be paid from the proceeds of insurance received by or for the account of the Board, or (iv) are immediately necessary for the emergency repair, preservation, safety or protection of the Unit owners or the Common Areas, the Board shall have no authority to approve or authorize any structural alterations, capital additions to, or capital improvements of the Common Areas requiring an expenditure in excess of the Twenty Thousand Dollars (\$20,000.00) or any contract for a term of more than four (4) years, unless such expenditure or contract shall have been approved by two-thirds (2/3) of the total votes cast at a meeting called for that purpose.

Any non-recurring Common Expense, any Common Expense not set forth in the budget as adopted, and any increase in assessment over the amount adopted shall be separately assessed against all Unit owners. Any such separate assessment shall be subject to the approval by the affirmative votes of at least two-thirds (2/3) of the Unit owners voting at a meeting of Unit owners duly called for the purpose of approving the assessment if it involves proposed expenditures resulting in a total payment assessed to a Unit equal to the greater of five (5) times the Unit's most recent Common Expense assessment calculated on a monthly basis or \$300.00.

SECTION 7. Lien. It shall be the duty of every Unit owner to pay his proportionate share of the Common Expenses, as provided in the Declaration, and as assessed in the manner herein provided.

If any Unit owner shall fail or refuse to make any such payment of the Common Expenses, when due, the amount thereof together with interest thereon at the rate of 8% per annum or such greater percentage as may then be permitted under the laws of the State of Indiana after said Common Expenses become due and payable, late charges, reasonable attorneys' fees and cost of collection or amount of any unpaid fine shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit owner in the Property, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage held by an insurance company, bank, savings and loan, mortgage broker and FNMA or other lending institution on the interest of such Unit owner, except for the amount of the proportionate share of Common Expenses which are due and payable from and after the date on which such mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), or accepts a deed in lieu of foreclosure for its mortgage and causes a receiver to be appointed, in suit to foreclose its mortgage, all as provided in the Declaration. The provisions of this paragraph of this Section 7 shall not be amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record. The Association or its successors and assigns, or the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the Court.

Furthermore, if any Unit owner shall fail or refuse to pay when due his proportionate share of the Common Expenses and such Unit owner withholds possession of his Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit. The Board and the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

SECTION 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Areas, and Limited Common Areas, specifying and itemizing the Common Expenses and limited Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days written notice to it or the Association and upon payments of a reasonable fee, furnish to any Unit owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

SECTION 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Areas, rather than a lien against only a particular Unit. When less than all the Unit owners are responsible for the existence of any such lien, the Unit owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien.

SECTION 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit owners in the percentages set forth in Exhibit "B".

SECTION 11. Forbearance. The Association shall have no authority to forebear the payment of assessments by any Unit owner.

ARTICLE V

Contractual Powers

No contract or other transaction between the Association and one or more of its Directors or between the Association and any

corporation, firm or association in which one or more of the Directors of the Association are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or
- (b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VI

Amendments

These By-Laws may be amended or modified from time to time by action or approval of sixty-seven percent (67%) of the total ownership and first mortgage holders of the Common Areas, and such amendment shall be effective upon the recording, in the Office of the Recorder of Hamilton County, Indiana, of a certificate of the Secretary of the Association setting forth the amendment and certifying the requisite percentage vote of the total ownership; provided, however, that no change, modification or amendment which affects the rights, privileges, or obligations of the Declarant, shall be effective without the prior written consent of the Declarant.

ARTICLE VII

Indemnification

SECTION 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board and Declarant, and each of its members, against all contractual and other liabilities to others arising out of contracts made by or other act of such directors, Board, officers,

committee members, Declarant or its members, on behalf of the Unit owners, or arising out of their status as directors, Board, officers, committee members, Declarant or its members unless any such contract or act is contrary to the provisions of the Declaration or these By-Laws or shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all cost and expenses (including, but not limited to, counsel fees, amounts of judgment paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member, Declarant or its members may be involved by virtue of such persons being or having been such directors, officer, Board, committee member, Declarant or its members; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, Declarant or its members; or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, Board, officer, committee member, Declarant or its members.

SECTION 2. Success on Merits. To the extent that the Declarant or its members or a member of the Board of directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonable incurred by him in connection therewith.

SECTION 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of any undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

SECTION 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, Declarant or its members, or out of the aforesaid

indemnity in favor of the directors, Board, officers, members of such committees, Declarant or its members, shall be limited to such proportion of the total liability hereunder as said Unit owners's percentage of interest in the Common Areas bears to the total percentage interest of all the Unit owners in the Common Areas. Every agreement made by the directors, Board, officers, members of such committees, Declarant or its members or by the Managing Agent on behalf of the Unit owners shall provide that the directors, Board, officers, members of such committees, Declarant or its members or the Managing Agent, as the case may be, are acting only as agents for the Unit owners and shall have no personal liability thereunder (except as Unit owners), and that each Unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Areas bears to the total percentage interest of all Unit owners in the Common Areas. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be the Declarant or its members or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE VIII

Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Middleton Place Condominium Declaration, which Declaration is recorded in the office of the Recorder of Hamilton County, Indiana.

The term "member", as used in these By-Laws, means "Unit owner" as defined in the Declaration.

EXHIBIT D

TO

MIDDLETON PLACE CONDOMINIUM DECLARATION

LEGAL DESCRIPTION

BUILDING 03

That portion of Block 2 in the Secondary Plat of Middleton Place being a condominium of the West Half of the Southeast Quarter of the Southeast Quarter of Section 30, Township 18 North, Range 5 East in the Middleton Place, recorded as Instrument #9754905 PC No. 2 Slide No. 59 in Hamilton County, Indiana described as follows:

Beginning at the Northwest corner of said Block 2; thence North 89 degrees 51 minutes 18 seconds East 153.67 feet to the point of curvature of a curve concave southwesterly, the radius point of said curve being South 00 degrees 08 minutes 42 seconds East 25.00 feet from said point; thence southeasterly along said curve 39.27 feet to the point of tangency of said curve, the radius point of said curve being South 89 degrees 51 minutes 18 seconds West 25.00 feet from said point; thence South 00 degrees 08 minutes 42 seconds East 57.00 feet; thence South 89 degrees 52 minutes 42 seconds West 18.00 feet; thence South 00 degrees 08 minutes 42 seconds East 20.01 feet; thence South 89 degrees 52 minutes 42 seconds West 159.49 feet; thence North 00 degrees 08 minutes 42 seconds West 84.17 feet to the place of beginning containing 0.405 acres more or less, subject to all legal highways, rights-of-way easements and restrictions of record.

