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CAROLYN MAKOWSKY

RECORDER OF CLARK CO.

**CODE OF BY-LAWS
OF
THE RIVER'S EDGE
PRIVATE SUBDIVISION
AND OF
THE RIVER'S EDGE
OWNERS ASSOCIATION, INC.**

STATE OF INDIANA, COUNTY OF CLARK, SS:

I, Richard P. Jones the undersigned, Recorder of Clark County, Indiana hereby certify that the above and foregoing is a full, true and complete copy of a By-Laws from Rivers Edge Private Subdivision and Rivers Edge Owners Assoc. Inc. to Article as the same appears of record in Misc.

Instr. No. 1809

Dra 21 in the office of the Recorder of Clark County, Indiana, which Records I am the sole custodian.

Witness my hand and official seal this 21st day of Feb. 2008

Richard P. Jones

RECORDER OF CLARK COUNTY, INDIANA

OF
THE RIVER'S EDGE
PRIVATE SUBDIVISION
AND OF
THE RIVER'S EDGE OWNERS ASSOCIATION, INC.

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption: These By-Laws are adopted simultaneously with the execution of a certain Declaration creating The River's Edge Subdivision (hereinafter sometimes referred to as "The River's Edge") to which these By-Laws are attached and made a part thereof. The Declaration is incorporated herein by reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The provisions of the By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association. These By-Laws of the Association.

Section 1.02. Individual Applications: All of the Owners, future owners, tenants, future tenants, or their guests and invitees or any other person that might use or occupy a Subdivision Unit or any part of the Property, shall be subject to the restrictions, terms and conditions set forth in the Declaration, these By-Laws and the Act, and to any rules and regulations adopted by the Board of Managers as herein provided.

ARTICLE II

Meeting of Association

Section 2.01. Purpose of Meetings: At least annually, and at such other times as may be necessary, the meetings of the Co-owners shall be held for the purpose of electing the Board of Managers (subject to the provisions of Section 3.02 hereof), 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 first Monday in December of each calendar year. At the annual meeting the Owners shall (subject to the provisions of Section 3.02 hereof) elect the Board of Managers of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03 Special Meetings: A special meeting of the members of the Association may be called by resolution of the Board of Managers or upon a written petition of Owners who have not less than a majority of the Percentage Vote. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 2.04 Notice and Place of Meetings: All meetings of the members of the Association shall be held at any suitable place in Clark County, Indiana, as may be designated by the Board of Managers. Written notice stating the date, time and place of any meeting, and, in the case of a special meeting, the purposed or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each member entitled to vote thereat not less than ten (10) days prior to the date of such meeting. Then notice shall be mailed or delivered to the Owners at the addresses of their respective Subdivision Units and not otherwise. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Association to each Mortgagee (a) who requests in writing that such notice be delivered to it, and (b) who has furnished the Association with its name and address in accordance with Section 8.01 of these By-Laws. Attendance at any meeting in person, by agent or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05 Voting and Conduct of Meetings:

(a) Number of Votes: Each Owner shall be entitled to cast one vote for each Condominium Unit he owns on each matter coming before the meeting as to which he is entitled to vote.

(b) Multiple Owner: Where the Owner of a Subdivision Unit constitutes or consists of more than one person, or is a partnership, there shall be only one voting representative entitled to all of the Percentage Vote allocable to that Subdivision Unit. At the time of acquisition of title to a Subdivision Unit by a multiple Owner or a partnership, those person constituting such Owner or the partners shall file with the Secretary of the Association an irrevocable proxy appointing one of such persons or partners as the voting representative for such Subdivision Unit, which shall remain in effect until all of such parties constituting such multiple Owner or the partners in such partnership designate another voting representative in writing, or such appointed representative relinquishes such appointment in writing, becomes incompetent, dies or such appointment is otherwise rescinded by order of a court of competent jurisdiction or the Owner no longer owns such Subdivision Unit. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph (d) of this Section 2.05. which shall not constitute a permanent relinquishment of his rights to act as voting representative for the Subdivision Unit.

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

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

(e) Quorum: Except where otherwise expressly provided in the Declaration, these By-Laws, the Act or the Indiana Not-For-Profit Corporation Act of 1971 (herein after referred to as the "Statute") the Owners representing a majority of the Percentage Vote shall constitute a quorum at all meetings. The term majority of Owners or majority of Percentage Vote, as used in these By-Laws, shall mean the Owners entitled to more than fifty percent (50%) of the Percentage Votes in accordance with the applicable percentage set forth in the Declaration, as such may be amended from time to time.

(f) Conduct of Annual Meeting: The President of the Association shall act as the Chairman of all annual meetings of the Association if he is present. At all meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(1) Reading of Minutes: The Secretary shall read the minutes of the last annual meeting and the minutes of any special held subsequent thereto, unless such reading is waived by a majority of the Percentage Vote.

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

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

(4) Election of Board Managers: Nominations for the Board of Managers may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least seven (7) days prior to the date of the annual meeting. Voting for the Board of Managers will be by paper ballot.

The ballot shall contain the name of each person nominated to serve as a Board member. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. The foregoing provisions are subject to the provisions of Section 3.02 hereof.

(5) Other Business: Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the Percentage Vote.

(6) Adjournment:

(g) Conduct of Special Meeting: The President of the Association shall act as Chairman of any special meeting of the Association if he is present. The Chairman shall call the meeting to order at the

duly designated time and the only business to be considered at such meeting shall be in consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE III

Board of Managers

Section 3.01. Management: The affairs of the Association and The River's Edge shall be governed and managed by the Board of Managers (herein collective called "Board" or "Managers" and individually called "Manager"). The Board of Managers shall be composed of Five (5) persons. No person shall be eligible to serve as a Manager unless he is, or is deemed in accordance with the Declaration to be, an Owner.

Section 3.02: Initial Board of Managers: The initial Board of Managers shall be (herein after referred to as the "Initial Board"), all of whom have been or shall be appointed by Declarant.

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

Section 3.04 Removal of Managers: A Manager or Managers, except the members of the initial Board, may be removed with or without cause by vote of a majority of the Percentage Vote at a special meeting of the Owners duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Manager so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified.

Section 3.05. Duties of the Board of Managers: The Board of Managers shall provide for the administration of the River's Edge Private Subdivision, the maintenance, upkeep and replacement of the Common Areas (unless the same are otherwise the responsibility or duty of Owners of Subdivision Units), and the collection and disbursement of the Common Expenses After the Applicable Date, the Board shall, on behalf of the Association, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent shall assist the Board in carrying out its duties, which include, but are not limited to:

- (a) protection, surveillance and replacement of the Common Areas unless the same are otherwise the responsibility or duty of Owners of Condominium Units: provided, however that this duty shall not include or be deemed or interpreted as a requirement that the Association, the Board or any Managing Agent must provide any on-site or roving guards, security services or security system for protection or surveillance, and the same need not be furnished:
- (b) procuring of utilities used in connection with The River's Edge, removal of garbage and waste, and snow removal from the Common Areas:

- (c) landscaping, painting, decorating, furnishing, maintenance and upkeep of the Common Area and , where applicable:
- (d) assessment and collection from the Owners of the Owners' share of the Common Expenses:
- (e) surfacing, paving and maintaining private streets, parking areas and sidewalks to the extent the same are not included in a Condominium Unit.
- (g) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year:
- (h) 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:
- (i) keeping a current, accurate, and detailed record of receipts and expenses incurred in the prior year, such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year.
- (j) procuring and maintenance for the benefit of the Owners, the Association and the Board the insurance coverages required under the Declaration and such other insurance coverage as the Board, in its sole discretion, may deem necessary or advisable.

Section 3.06. Powers of the Board of Mangers: The Board of Managers shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

- (a) to employ a Managing Agent to assist the Board in performing its duties:
- (b) to purchase for the benefit of the Owner such equipment, materials, labor and services as may be necessary in the judgment of the Board of Managers:
- (c) to employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board of Managers may be necessary or desirable in connection with the business and affairs of The River's Edge:
- (d) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Managers may be necessary for the maintenance, upkeep, repair and replacement of the Common Areas.
- (e) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom;
- (f) to open and maintain a bank account or accounts in the name of the Association;

- (g) to adopt, revise amend and alter from time to time rules and regulations with respect to use, occupancy, operation and enjoyment of the Property.

Section 3.07. Limitation on Board Action: After the Applicable Date, the authority of the Board of Managers to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500 without obtaining the prior approval of a majority of the Percentage Vote, except that in the following cases such approval shall not be necessary:

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

Section 3.08 Compensation: No Manager shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of the Percentage Vote. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 3.09 Meetings: Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the Managers. The Secretary shall give notice of regular meetings of the Board to each Manager personally or by United States mail at least five (5) days prior to the date of such meeting.

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

Section 3.10. Waiver of Notice: Before any meeting of the Board, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Manager at a meeting or his subsequent consent to the actions taken thereat, shall, as to such Manager, constitute a waiver of notice of the time, place and purpose thereof. If all Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.11 Quorum At all meetings of the Board a majority of the Managers shall constitute a quorum for the transaction of business and the votes of the majority of the Managers present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.12. Non-Liability of Managers: The Managers shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Managers, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless and defend each of the Managers against any and all liability to any person, firm or corporation arising out of contracts made by the Board

of behalf of The River's Edge or the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or By-Laws. It is intended that the Managers shall have no personal liability with respect to any contract made by them on behalf of The River's Edge or the Association and that in all matters the Board is acting for and on behalf of the Owners as their agent. The liability of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Managers shall be limited to such percentage of the total liability or obligation thereunder as is equal to his Percentage Interest. Every contract made by the Board or the Managing Agent on behalf of The River's Edge shall provide that the Board of Managers and the Managing Agent, as the case may be, are acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners (if applicable) and then only to the extent of their Percentage Interest.

Section 3.13. Additional Indemnity of Managers: The Association shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Manager of the Association, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Manager is liable for gross negligence or misconduct in the performance of his duties. The Association shall also reimburse to any such Manger the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Percentage Vote that such Manager was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Manager, no Manager shall be considered or deemed guilty or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Manager relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent of The River's Edge or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Manager had actual knowledge of the falsity or incorrectness thereof; nor shall a Manager be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Managers.

Section 3.14. Bond: The Board of Managers may require the Managing Agent, Treasurer and such other officers as the Board deems necessary to provide surety bond, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Managers and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a Common Expense.

ARTICLE IV

Officers

Section 4.01 Officers of the Association: The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board. The Managers may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

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

Section 4.03. The President: The President shall be elected from among the Managers and shall be the chief executive officer of the Association. He shall preside at all meeting of the Association and of the Board, shall have and discharge all the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation 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 my from time to time prescribe.

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

Section 4.05. The Secretary: The Secretary shall be elected from among the Managers. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties 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 the By-Laws.

Section 4.06. The Treasurer: The Board shall elect from among the Managers a treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and who shall perform such either duties incident in the office of Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account or accounts in the name of the Association. The Treasurer may other assets of the Association to the extent appropriate as part of its duties.

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

ARTICLE V

Assessments

Section 5.01. Annual Accounting: Annually, after the close of each fiscal year of the Association and prior to the date of the annual meeting of the Association next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then serving the

Association, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

Section 5.02 Proposed Annual Budget: Annually, on or before the date of the annual meeting of the Association, the Board of Managers shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Association for adoption and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved by a majority of the percentage vote: provided, however that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Association shall be established by using generally accepted accounting principles applied on a consistent basis. The annual budget and the Regular Assessments shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Areas, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Areas. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Areas shall be maintained by the Association in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Clark County, Indiana, selected from time to time by the Board. The failure or delay of the Board of Managers to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Association, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approval budget or, at the option of the Board based upon one hundred and ten percent (110%) of such last approved budget, as a temporary budget.

Section 5.03. Regular Assessments: The annual budget as adopted by the Owners, shall based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Subdivision Unit based on the Percentage Interest of each Subdivision Unit. Immediately following the adoption of the annual budget, each owner shall be given written notice of such assessment against his respective Subdivision Unit (herein called the "Regular Assessment"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such regular Assessment shall be revised, within fifteen (15) days following adoption of the fiscal annual budget by the Owners, to reflect the assessment against each Subdivision Unit based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment again each Subdivision Unit shall be paid in advance in equal monthly installments, commencing on the first day of the first month of each fiscal year and monthly thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Managers or the Managing Agent, as directed by the Board of Managers; provided, however, Owners may elect to pay monthly assessments quarterly, semi-annually or annually, in advance. In the event the Regular Assessment for a particular fiscal year of the Association was initially based upon a temporary budget.

- (a) if the Regular assessment based upon the final annual budget adopted by the Owners exceeds the amounts of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or
- (b) if the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final amount budget adopted by the Owners, such excess shall be credited against the next payment or payments of the Regular Assessment coming due, until the entire amount of such excess has been so credited; provided, however, that if an Owner had paid his Regular Assessment either quarterly, semi-annually or annually in advance, then the adjustments set forth under (a) above or this subparagraph (b) shall be made by a cash payment by, or refund to, the Owner on the first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Owners.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Subdivision Unit as of the first day of each fiscal year of the Association, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, convey or transfers his Subdivision Unit or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Subdivision Unit from payment of the Regular Assessment for such Subdivision as finally determined, and such Owner and his successor as Owner of such Subdivision Unit shall be jointed and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Association pursuant to Section 8.02 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Monthly installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the board of the Association, and neither the Board nor the Association shall be responsible for providing any notice or statements to Owners for the same.

Section 5.04 Special Assessments: from time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of Managers shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Subdivision Unit, prorated in accordance with the Percentage Interest of each Subdivision Unit (herein called "Special Assessment"). Without limiting the

generality of the foregoing provisions, Special Assessments may be made by the Board of Managers from time to time to pay for capital expenditures, to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstance described in the Declaration.

Section 5.05. Failure of Owner to Pay Assessments:

(a) No Owner may exempt himself from paying Regular Assessments and Special Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Common Areas or by abandonment of the Subdivision Unit belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessments or Special Assessments when due, the lien for such assessment on the Owner's Subdivision Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by law. Upon the failure of an Owner to make timely payments of any Regular Assessments or Specialty Assessments when due, the Board may, in its discretion accelerate the entire balance of the unpaid assessments and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary. In any action to foreclosure the lien for any Assessments, the Owner and any occupant of the Subdivision Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Subdivision Unit, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Subdivision Unit and to collect the rentals and other Profits therefrom for the benefit of the Association to be Applied to the unpaid Regular Assessments or Special Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including, but not limited to, reasonable attorneys' fees, from the Owner of the respective Subdivision Unit.

(b) Notwithstanding anything contained in this Section or

Elsewhere in the Declaration and these By-Laws, any sale or or transfer of a Subdivision Unit to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installments which became due prior to such sale, transfer, or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Subdivision Unit or the purchaser at such foreclosure sale, or Grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular Assessment or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments or Special Assessments, the lien for which has been divested as aforesaid shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the subject Subdivision Unit from which it arose), as provided in the act.

Section 5.06. Regular Assessments Prior to Applicable Date:

During the period that the Declarant is constructing Subdivision Units in the River's Edge, it is difficult to accurately allocate the Common Expenses to the individual Subdivision Units. The purpose of this section is to provide for the maintenance and upkeep of The River's Edge and for the payment of the Common Expenses during the period prior to the Applicable Date. Accordingly, and notwithstanding any other provision contained in the Declaration, these By-Laws, the Act or otherwise, prior to the Applicable Date, the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without meetings of or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this Section 5.06.

The Association will enter into a management agreement with Declarant (or a corporation or other entity affiliated with Declarant) hereinafter referred to as Management Agent or Managing Agent) for a term of two (2) years under which Management Agent will provide supervision, fiscal and general management, and maintenance of the Common Areas and in general perform all duties and obligations of the Association. Such management agreement may be renewed for an additional two (2) years or less periods, but shall not extend beyond the Applicable Date. Such management agreement will be subject to termination by Management Agent or by the Association at any time prior to the expiration of its term upon ninety (90) days written notice to the other party in which event the Association shall thereupon and thereafter resume performance of all duties, obligations and functions.

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ARTICLE VI

Restrictions, Entry, and Rules and Regulations

Section 6.01. Restrictions on Use: The following restrictions on the use and enjoyment of the Subdivision Units, Common areas, and the Property shall be applicable to The River's Edge and are in addition to those set forth in the Declaration:

- (a) All Subdivision Units shall be used exclusively for residential Purposes and no Subdivision Unit may be partitioned or subdivided.
- (b) All homes constructed on the Subdivision Units shall be a minimum of 1250 square feet for a single floor or 1450 square feet for a 2 story home. The house plans must have the approval of the Association prior to start of construction. All connections to utilities are at the Subdivision Unit Owners expense.
- (c) No shed or out-building shall be permitted. All garages shall be attached.
- (d) No nuisances shall be permitted and no waste shall be permitted and no waste shall be permitted in any Subdivision Unit, or Common Areas.
- (e) No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Subdivision Unit or in the Common Areas or on the Property, except that pet dogs, cats or customary household pets may be kept in a Subdivision Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. An Owner shall be fully liable for any injury or damage to persons or property, including the Common areas, caused by his pet. The Board may adopt such rules and regulations regarding pets as it may deem necessary from time to time, including, but not limited to, a requirement that any Owner desiring to bring a pet on the Property shall deposit with the Board a security deposit in an amount to be determined by the Board to cover any damage that may be caused by such pet to the Common Areas. Any such security deposit shall be returned to the Owner when the pet is permanently removed from the Property, except to the extent said deposit has been used to repair damage cause by such pet. Any requirement for the depositing of such a security deposit shall not be deemed to release or in any way limit an Owner's responsibility and liability for injury and damage caused by his pets. Any pet which, in the judgment of the Board, is causing or creating a or unreasonable disturbance or noise, shall be permanently removed from the Property within ten (10) days after written notice from the Board to the respective Owner to do so.
- (f) No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on, or so as to be visible from, any part of the

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

(g) No "for sale", "for rent" or "for lease" signs, or other signs, or Window or advertising display shall be maintained or permitted on any part of the Property or any Subdivision Unit without the prior written consent of the Board; provided however, that the right is reserved by the Declarant and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the property in connection with any unsold or unoccupied Subdivision Units.

(h) All Owners and members of their families, their guests, or invitees and all occupants of any Subdivision Unit or other person 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 Subdivision Units, and Common Areas.

(i) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas, except with express permission from the Board. No firewood, logs or other fireplace fuel shall be kept outside the Subdivision Units.

(j) All garbage, trash and refuse shall be stored in appropriate containers inside the Homes and shall be kept therein until no earlier than sundown of the evening before scheduled trash collection. Garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for scheduled trash collection and shall be placed at such locations for trash collection as are designated by the Board.

(k) Common Areas shall be used only for the purposes for which they are designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board. For example, play areas for children shall be restricted to those areas of the Common Areas, if any so designated by the Board.

Section 6.02. Right of Entry: All Owners and occupants of a Subdivision Unit shall be deemed to have granted the right of entry thereto to the Managing Agent or any other person authorized by the Board in case of any emergency originating in or threatening his Subdivision Unit or the Building in which it is located, whether the Owner is present at the time or not. Any Owner shall permit other persons, or their representatives when so required, to enter his Subdivision Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structure repairs provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of emergencies, such right of entry shall be immediate.

Section 6.03. Right of Board to Adopt Rules and Regulations: The Board may promulgate such additional rules and regulations regarding the operating of the Property, including but not limited to the use of the Common Areas, as it may deem necessary from time to time and such rules as are adopted may be amended by a vote of a majority of the Board, and the Board shall cause copies of such rules and regulations and all amendments thereto to be delivered or mailed to all Owners.

ARTICLE VII

Amendment to By-Laws

Section 7.01. Subject to any contrary, overriding or superseding provisions set forth herein or in the Declaration, the By-Laws may be amended in the same manner, and subject to the same limitations and requirements, as amendments to the Declaration, as set forth in the Declaration. Amendments to these By-Laws shall be considered as amendments of the Declaration and shall be recorded in the office of the Recorder of Clark County, Indiana, as required by the Declaration and the Act. Notwithstanding anything to the contrary contained herein or in the Declaration, there shall be no amendment of the Declaration of these By-Laws prior to the Applicable Date without the consent and approval of Declarant.

ARTICLE VIII

Mortgages

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

The Association shall, upon request of a Mortgagee who has furnished the Association with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrow of any obligations of such borrower under the Declaration of these By-Laws which is not cured within sixty (60) days.

Section 8.02. Notice of Unpaid Assessments: The Association shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Subdivision Unit, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments against the Subdivision Unit, which statement shall be binding upon the Association and the Owners, and any Mortgagee or grantee of the Subdivision Unit shall not be liable for nor shall the Subdivision Unit conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 5.03 hereof.

ARTICLE IX

Miscellaneous

Section 9.01. Fiscal Year: The fiscal year of the Association shall begin on the first day of January in each year and end on the 31st day of December next following.

Section 9.02. Membership Certificates: Each member of the Association shall receive a certificate from the Association, signed by the President or Vice-President, and Secretary or Assistant-Secretary thereof, stating that he is a member of the Association. Such certificates shall be non-transferable and a member's certificate shall become void and of no force and effect upon sale by a member of his Subdivision Unit. Such membership certificates shall be in a form and style determined by the Board.

Section 9.03. Personal Interests: No member of the Association shall have or receive any earnings from the Association, except a member who is an officer, director or employee of the Association may receive fair and reasonable compensation for his services as officer, director or employee, and a member may also receive principal and interest on moneys loaned or advanced to the Association as provided in the Statute.

IN WITNESS WHEREOF, the undersigned have caused this code of By-Laws to be executed this day and year first above written.

RECEIVED
FOR RECORD

David Stone, Owner

Carolyn Stone, Owner

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RECORDED IN MISC. DRA 21
INSTR. NO. 1809
CAROLYN MAKOWSKY
RECORDER OF CLARK CO.

STATE OF INDIANA)

COUNTY OF CLARK)

Before me, a Notary Public in and for said County and State, personally appeared David Stone and Carolyn Stone, who acknowledge the execution of the above and foregoing code of By-Laws.

WITNESS my hand and notarial seal this 17th day of February, 1989.

Notary Public
Resident of Clark County, IN.

Printed Signature:

Norma J. Isgrigg

NORMA J. ISGRIGG
NOTARY PUBLIC STATE OF INDIANA
CLARK COUNTY
MY COMMISSION EXP JULY 25, 1992

My Commission Expires:

July 25, 1992

This Instrument Prepared By:
Robert L. Isgrigg & Associates
940 Cottonwood Drive
Clarksville, IN 47130
(812) 945-6990