

CODE OF BY-LAWS OF

213 368

CRESCENT PARK HOMEOWNER'S ASSOCIATION, INC.

ARTICLE IIdentification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration 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 definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws and reference is specifically made to Article I of the Declaration containing definitions of terms. The provisions of these By-Laws shall apply to the Real Estate and the administration and conduct of the affairs of the Association.

Section 1.02. Individual Application. All of the Owners, future Owners, tenants, future tenants, or their guests and invitees, or any other person that might use or occupy a Unit or any part of the Real Estate, or of any Real Estate or land annexed to the Declaration as provided therein, shall be subject to the rules, restrictions, terms and conditions set forth in the Declaration and these By-Laws.

ARTICLE IIMeetings of Association

Section 2.01. Purpose of Meetings. At least annually, and at such other times as may be necessary, the meeting of the Owners shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Expenses and assessments, and for such other purposes as may be required by the Declaration and these By-Laws.

Section 2.02. Annual Meeting. The annual meeting of the members of the Association shall be held on the fourth Tuesday of January in each calendar year. At the annual meeting the Owners shall elect the Board of Directors of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A special meeting of the members of the Association

may be called by resolution of the Board of Directors or upon a written petition of the Unitowner who have not less than twenty-five percent (25%) of the Class A membership votes. 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 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 Monroe County, Indiana, as may be designated by the Board of Directors. Written notice stating the date, time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Unitowner and, if applicable, to any Mortgagee not less than fourteen (14) days prior to the date of such meeting. The notice shall be mailed or delivered to the Owners at their address as it appears upon the records of the Association and to the mortgagee at the address as it appears on the records of the Association. Attendance at any meeting in person or by proxy shall constitute a waiver of notice of such meeting.

Section 2.05. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by the By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 2.04 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 2.06. Voting.

(a) Number of Votes. To avoid fractional votes and to facilitate the orderly conduct of the meeting, each Unitowner shall be entitled to cast that number of votes on each matter coming before the meeting which is equal to the number of Units owned by such Owner.

For the purposes of the conducting of meetings and voting at meetings, the Declarant shall be considered included within the term "Unitowner" for the purposes of these By-Laws. Voting rights shall be determined in accordance with the Declaration as follows:

Class A - Class A members shall be all Owners with the exception of the Declarant. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised at they among themselves determine.

Class B - The Class B member(s) shall be the Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (i) when the total votes outstanding in the Class A membership is seventy-five percent (75%) of the total votes in Class "A" and Class "B";

(ii) when in its sole discretion the Declarant shall determine.

(b) Multiple Owner. Where the Owner of a Unit constitutes more than one person, or is a partnership, there shall be only one voting representative entitled to all the vote allocable to that Unit. At the time of acquisition of title to a Unit by a multiple Owner or a partnership, those persons constituting such Unitowner or the partners shall file with the Secretary of the Association a proxy appointing one of such person or partner as the voting representative for such Unit, which shall remain in effect until such appointed representative relinquishes such appointment in writing, becomes incompetent, dies, such appointment is rescinded by an order of a court of competent jurisdiction, or the subject Unit which forms the basis of the vote is conveyed. 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 2.06, which shall not constitute a permanent relinquishment of his right to act as voting representative for the Unit.

(c) Voting by Corporation or Trust. Where a corporation or trust is a Unitowner 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 shall cast the vote to which the corporation is entitled.

(d) Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit or upon receipt of notice by the Secretary, or the Board of the death or judicially declared incompetence of a member or upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

(e) Quorum. Except as otherwise expressly provided in the Declaration or these By-Laws, the Unitowner representing ten percent (10%) of each class of membership, taken together, shall constitute a quorum at all meetings. The term majority of Owners or majority of vote, as used in these By-Laws, shall mean the Owners entitled to not less than fifty-one percent (51%) of the votes in accordance with the Declaration as such may be amended from time to time.

(f) Conduct of Meeting. The Chairman of the meeting shall be the President of the Association. He shall call the meeting to order at the duly designated time and business will be conducted in the following order:

(1) Reading of the Minutes. The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto.

(2) Treasurer's Report. The Treasurer shall report to the Members concerning the financial condition of the Association and answer relevant questions of the Members

concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.

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

(4) Election of the Board of Directors. Nominations for the Board of Directors may be made by any Member from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least ten (10) days prior to the date of the annual meeting. Voting for Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Member may cast the total number of votes to which he 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. All voting for election of the members of the Board of Directors shall be conducted by secret written ballot.

(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 ten (10) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the vote.

(6) Adjournment.

ARTICLE III

Board of Directors

Section 3.01. Board of Directors.

(a) The business and property of the Condominium shall be managed and directed by the Board of Directors composed of three (3) persons, or by such Committees as the Board may establish pursuant to the By-Laws.

(b) The initial Board of three (3) Directors shall be selected by the Declarant from the date upon which this Declaration is recorded in the Monroe County, Indiana public records until Declarant has sold all Units of all phases of Development as described in Article XII and until the qualification of directors elected at the next following annual meeting of voting members.

The names of the persons who shall serve on the initial Board of Directors, all of whom are representatives of Declarant, are as follows:

Kenneth E. Blackwell
James C. Regester

(c) This paragraph governs directors elected after the term of initial Board of Directors has expired pursuant to 5 (6)(b). Directors shall be elected at the annual meeting of the Association and those persons who receive the highest number of votes shall be deemed to have been elected. The size of the Board of Directors may be increased or decreased from time to time upon the affirmative vote of seventy-five percent (75%) in common interest of all Owners provided that said Board shall not be less than three (3) in number. Each Director appointed by the Declarant shall serve at the pleasure of the Declarant. Each Elective Director shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification or his successor is elected and qualified. Each Elective Director shall be one of the Owners; provided, however, that in the event a Owner is a corporation, partnership, trust or other legal entity, other than a natural person, or persons, then an officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board. Nothing herein contained shall be construed to prevent the election of a Director to succeed himself.

(d) Members of the Board shall receive no compensation for their services. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board shall be filled by majority vote of the remaining members thereof, except that a vacant position of the Board last filled by a person appointed by the Declarant shall 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 unexpired term of the director he succeeds. Except as otherwise provided in this Declaration, the Real Estate shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of members of the Board shall constitute a quorum.

(e) The Board shall elect from among its members for the term of one (1) year (i) a President who shall preside over both its meetings and those of the voting members, and who shall be the chief executive officer of the Board and the Association and who shall be designated to mail and receive all notices and execute all amendments hereto as provided herein and in the Act, (ii) a Secretary who shall keep the minutes of all meetings of the Board and of the voting members and who shall, in general, perform all the duties incident to the office of the Secretary, (iii) a Treasurer to keep the financial records and books of account, and (iv) such additional officers such as Vice Presidents, as the Board shall see fit

to elect vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed with or without cause at any time by a vote of two-thirds (2/3) of the total membership of the Board at a meeting thereof. The duties of the President and the Secretary shall not be performed by the same person.

(f) Except for Directors designated by Declarant pursuant to Section 5.6(b) and 5.6(c) hereof, any Board member may be removed from office at any time by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any special meeting called for that purpose. A successor to fill the unexpired term of a Board member removed shall be elected by the voting members at the same meeting.

(g) Written notice stating the place, date, and hour of any meeting of the Board shall be delivered to each member of the Board not less than three (3) days prior to the date of such meeting. The purpose for which the meeting is called shall be stated in the notice.

(h) All meetings of the Board shall be open to attendance by any Unitowner, except that the President may call the Board into executive session on matters of personnel, infractions of the rules and regulations of the Association, and matters of similar sensitivity. Any action taken by the Board in executive session shall be recorded in the minutes.

(i) Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent to such action is signed by all members of the Board and such consent is filed with the minutes of proceedings of the Board.

Section 3.02. Powers of the Board of Directors. The Board of Directors 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 or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

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

(c) to procure for the benefit of the Owners fire and extended coverage insurance covering the Buildings and the Real Estate to the full replacement value thereof and to procure public liability and property damage insurance, Directors and officers liability insurance, Workmen's Compensation insurance, and such other insurance as the Board of Directors may determine is necessary for the benefit of the Owners and the Association;

(d) to employ legal counsel, architects, contractors, accountants and others

as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of Crescent Park Homeowner's Association, Inc.;

(e) to include the costs of all of the above and foregoing as Common Expenses and assessments and to pay all such costs therefrom;

(f) to consent to amendment to the Declaration as therein provided;

(g) to adopt, revise, amend and alter from time to time reasonable rules and regulations with respect to use, occupancy, operation and enjoyment of the Real Estate;

(h) to open and maintain a bank account or accounts in the name of the Association.

(i) to dedicate any streets or drives within the property to the appropriate municipal authority.

Section 3.03. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$5,000.00 without obtaining the prior approval of a majority of Owners, except in the following cases:

(a) contracts for replacing or restoring portions of the Common Areas damaged or destroyed by fire 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.

Section 3.04. Compensation. No Directors shall receive any compensation for any service rendered to the Association except to such extent as he may be reimbursed for actual expenses incurred in the performance of his duties.

Section 3.05. Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors. The Secretary shall give notice of regular meetings of the Board to each Director personally or by United States mail at least five (5) days prior to the date of such meeting.

Special meetings of the Board may be called by the President or any 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 Monroe County, Indiana, as shall be designated

in the notice.

Section 3.06. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting shall as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.07. Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.08. Non-Liability of Directors. The Directors shall not be liable to the Association for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board of Directors on behalf of 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 Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Every contract made by the Board shall provide that the Board of Directors, in executing such contract, is acting as Agent for the Association and shall have no personal liability thereunder.

Section 3.09. Additional Indemnity of Directors. The Association shall indemnify any person, his heirs, assigns and legal representatives, made a part to any action, suit or proceeding by reason of the fact that he is or was a Director of the Association, against the reasonable expenses, including attorneys' 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, if it shall be found by a majority of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent of the Association 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 Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director 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 Directors.

Section 3.10. Bond. The Board of Directors shall require any or all officers and employees of the Association handling or responsible for Association funds to be covered by an adequate bond. The premiums on such bonds shall constitute a common expense.

Section 3.11. Informal Action of Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

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 Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

Section 4.02. Election of Officers. the officers of the Association shall be elected annually by the Board at the initial meeting of each new Board. Upon an affirmative vote of a two-thirds (2/3) majority of all member of the Board at the meeting thereof, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.03. The President. The President shall be elected from among the Directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board, 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 organized under the laws of Indiana, including but not limited to, the power to appoint committees from among the owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

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

Section 4.05. The Secretary. The Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall

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

Section 4.06. The Treasurer. The Board shall elect from among the Directors a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of 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 in the name of the Association.

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 Assistant Treasurer who shall have such powers and duties as the officer whom they are elected to assist shall delegate to them and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

Section 4.08. Compensation. No officer shall receive compensation from the Association for acting as such.

ARTICLE V

Assessments

Section 5.01. Annual Accounting. Annually, after the close of each calendar year and prior to the date of the annual meeting of the Association, the Board shall cause to be prepared and furnished to each Owner an audited financial statement, which statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year, and a copy of said audited financial statement shall be furnished to each holder of a first mortgage lien upon any Unit or Units.

Section 5.02. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board of Directors shall cause to be prepared a proposed annual budget for the ensuing calendar year estimating the total amount of the Common Expenses and assessments for the ensuing year and furnish a copy of such proposed budget to each Owner prior to the annual meeting. 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 ensuing calendar year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority of the vote; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget be approved at

such meeting, either the proposed annual budget or the proposed annual budget as amended. Copies of the proposed annual budget shall also be furnished to each holder of a first mortgage lien upon any Unit or Units in the same manner as provided for furnishing such copy to an Owner.

Section 5.03. Regular Assessments.

(a) The annual budget as adopted shall, based on the estimated cash requirement for the Common Expenses and assessments in the ensuing year as set forth in said budget, contain a proposed assessment against each Unit. Immediately following the adoption of the annual budget, each Unitowner shall be given written notice of such assessment against each respective Unit (herein called the "Regular Assessment"). Immediately following the adoption of the annual budget, each holder of a first mortgage lien shall be given written notice of the assessment against the respective Unit on which such holder may hold a first mortgage lien. The Regular Assessment against each Unit shall be paid in equal monthly installments, commencing on the first day of September of such calendar year or thirty (30) days following the first conveyance of a Unit by Declarant, whichever occurs later, and on the first day of each calendar month thereafter through and including the following August. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors. The Regular Assessment for the year shall become a lien on each separate Unit as of the thirtieth day after the delinquency date.

(b) The Common Expenses shall include, but are not limited to, the following:

(1) the expenses, costs and charges incurred in connection with the administration, operations and management of the Association and Common Areas and Facilities;

(2) the cost of maintenance, repair, replacement and restoration of the Common Areas and Facilities, or any part thereof;

(3) the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of the Declaration;

(4) such amounts as the Board of Directors may deem proper for the convenience, comfort, and well being the Owners, and for the operation, management, and maintenance of the Real Estate, including, without limitation, an amount for working capital of the Association, for a general operating reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year;

(5) such amounts as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all or less than all Owners of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be

sold at a foreclosure or other judicial sale;

(6) in proper cases, the cost of administration and of maintenance and repair of the Limited Common Areas and Facilities, if any, and

(7) any other expense lawfully agreed upon.

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 or the Declaration, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Unit in a uniform manner (herein called "Special Assessment"); provided, however, the Declarant shall have the right to veto any Special Assessment that is proposed if Declarant owns more than five (5) Units.

Section 5.05. Commencement of Assessments. The first annual budget and the Regular Assessment to be charged against each Unit pursuant thereto shall be determined by the Owners at the first annual meeting of the Association.

Section 5.06. Failure of Owner to Pay Assessments. Each Unitowner shall be personally liable for the payment of all Regular, Interim and Special Assessments. Where the Unitowner 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, Interim or Special Assessment when due, the lien for such Assessment on the Owners Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by law. In any action to foreclose the lien for Assessments, the Unitowner and occupant shall be jointly and severally liable for the payment to the Association of reasonable rental for such Unit, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Unit and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Regular, Interim or Special Assessment. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Regular, Interim or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular, Interim 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 Unitowner of the respective unit.

Section 5.07. Maintenance and Repairs. Every Unitowner shall promptly perform all maintenance and repair within his own Unit, which, if neglected, would affect the value of the Real Estate and is the responsibility of the Unitowner to make personally. Such maintenance and repairs include, but are not limited to, internal water lines, appliances, gas lines, telephones, air conditioning, doors, windows, lamps and all other accessories belonging to the Unitowner and appurtenance to the Unit.

The Association, in the performance of its maintenance duties, may, from time to time, make use of the external water outlets and faucets on the various Units, provided, however, that the Association may do so only if it provides monitoring for the amount of water used and reimburses the Owner whose outlet or faucet is used for the amount of water consumed by the Association in the performance of its duties within 90 days from the date or dates of use.

ARTICLE VI

Restrictions on Use

Section 6.01. The following restrictions on the use and enjoyment of the Unit, Common Areas, and the Real Estate shall apply in addition to those set forth in the Declaration and recorded plats. These are as follows:

- (a) All Units shall be used exclusively of residential purposes and the occupancy for a single family.
- (b) No additional buildings shall be erected or located on the properties other than the buildings designated in the Declaration and shown on the plans.
- (c) Nothing shall be done or kept in any Unit or in the Common Areas which will cause an increase in the rate of insurance on any building or the contents thereof. No Unitowner shall permit anything to be done or kept in his Unit or in the Common Areas which will result in a cancellation of insurance on any building or contents thereof, or which would be in violation of any law or ordinance.
- (d) No waste shall be committed in the Unit or Common Areas.
- (e) No Unitowner shall cause or permit anything to be hung or displayed on the outside of the windows or laced on the outside walls of any building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roof or any other parts of any building without the prior consent of the Board.
- (f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Areas, except that small dogs, cats or customary household pets may be kept in a Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. A Unitowner shall be fully liable for any damage to the Common Areas caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Real Estate upon three (3) days' written notice from the Board to the respective Unitowner.

(g) Nothing shall be done or permitted on any Unit which will impair the structural integrity of any building or which would structurally change any building, except as otherwise provided in the Declaration or these By-Laws.

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

(i) No industry, trade, or any commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the property.

(j) No "for sale" or "for rent" or "for lease" signs or other window or advertising display shall be maintained or permitted on any part of the Real Estate or any Unit without the prior 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 any unsold or unoccupied Units.

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

(l) No boats, campers, trailers of any kind, buses, mobile homes, trucks or any other unconventional vehicles of any description, shall be permitted, parked or stored anywhere within the Real Estate; provided, however, that nothing herein shall prevent the parking or storage of such vehicles completely enclosed within a garage.

(m) No Unitowner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas, except with express permission from the Board.

(n) No Unitowner shall be allowed to place or cause to be placed in the lobbies, vestibules, stairways, hallways or areas of a similar nature and used for a similar purpose, any furniture, packages or objects of any kind, without the consent of the Board of Directors. This restriction is not intended to apply to the interior of any Unit.

Section 6.02. Right of Entry. An Owner or occupant of a Unit shall grant the right of entry to a person authorized by the Board in case of any emergency originating in or threatening his Unit whether the Unitowner is present at the time or not. Any Unitowner shall permit other persons, or their representatives when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unitowner. In case of emergencies, such

right to 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 operation of the Real Estate, 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 to be delivered or mailed promptly to all Owners.

Section 6.04. Annexed Land. Upon the annexation of land to the jurisdiction of the Declaration pursuant to the provisions contained therein, the Owners of Units in such annexed land shall have full and free access to all of the Common Areas, facilities and amenities, as though such annexed land had originally been within the provisions of the Declaration from the time it was recorded in the office of the Recorder of Monroe County. In a like manner, the existing Owners shall have full and free access to the Common Area of any land annexed pursuant to the Declaration.

ARTICLE VII

Amendment to By-Laws

Section 7.01. During the term of the initial Board of Directors, these By-Laws may be amended by majority vote or by written consent of all initial directors. Upon the expiration of the term of the initial Board of Directors pursuant to paragraph 3 (b) above, these By-Laws may be amended by a vote of not less than seventy-five percent (75%) of the vote of the Owners in a duly constituted meeting called for such purpose. Provided, however, that no amendment to these By-Laws which affect the value or quality of the Units or common areas may be adopted without the prior approval of the holders of a majority of first mortgage liens upon any Unit or Units, and provided further that a majority in interest of the mortgages shall have the right to veto any amendment adopted while Class B membership exists. Provided further that no amendment to these By-Laws may be adopted, so long as Class B membership exists, without the prior approval of either the Federal Housing Administration or the Veterans Administration, but not both.

ARTICLE VIII

Mortgages

Section 8.01. Notice to Association. Any Unitowner who places a first mortgage lien upon his Unit or the mortgagee being the holder of any such first mortgage lien, shall notify the secretary of the Association and provide the name and address of the mortgagee. A record of such mortgagee and such name and address shall be maintained by the secretary and any notice required to be given to any Unitowner pursuant to the terms of the Declaration or these By-Laws shall be given in the same manner and in the same effect to such

mortgagee.

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Section 8.02. Notice of Unpaid Assessments. The Association shall, upon request of a mortgagee, a proposed mortgagee or purchaser who has a contractual right to purchase a Unit, furnish to such mortgagee or purchaser a statement setting forth the amount of the unpaid Regular, Interim or Special Assessments against the Unit, which statement shall be binding upon the Association and the Owners, and any mortgages or grantee of the Unit shall not be liable for nor shall the Unit conveyed be subject to a lien for any unpaid assessments in excess of the amount set forth in such statement.

Section 8.03. Notice and Representative. Any and all mortgagees shall receive notice of meetings of the Association and shall receive specific notice from the Association of the intention of the Association to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association; and any and all mortgages shall have the right to designate a representative to attend any meetings of the Association.

ARTICLE IX

Insurance

Section 9.01. Insurance on Individual Mortgaged Units. The Owner of any Unit shall carry property insurance through a company approved by the Board. This insurance should provide protection against loss or damage from fire and other hazards covered by the standard homeowner coverage, and in the amount equal to the full replacement value (i.e. 100% of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage). Further, the Unitowner must list the Association as an additional insured on his policy, file a certificate of coverage with the Board, and give the Association a 30-day cancellation notice.

Section 9.02. Minimum Requirements for Association Insurance. The Association shall as a minimum obtain and carry a policy of property insurance in an amount equal to the full replacement value (i.e. 100%) of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage) of the common facilities owned by the Association (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, and, if necessary, an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, such insurance to afford protection against at least the following:

- (a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and
- (b) such other risks as shall customarily be covered with respect to projects similar

in construction, location and use.

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Section 9.03. Public Liability Insurance. The Association shall as a minimum carry and maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas located in the Properties insuring the Association with limits not less than \$500,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and, if applicable, garage-keeper's liability, host liquor liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

Section 9.04. Minimum Bonding Requirement. The Association shall be required to maintain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of such Association and all others who handle, or are responsible for handling funds of the Association. Such fidelity bonds shall meeting the following requirements:


- (a) all such fidelity bonds shall name the Association as an obligee; and
- (b) such fidelity bonds shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the Association, including reserves, unless a greater amount is required by FNMA; and
- (c) such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
- (d) such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment or premium) without at least 30 days prior written notice.

Section 9.05. Director and Offices Insurance. The Association shall carry Director and Officers liability insurance in order to protect it from many causes of action resulting from the actions or inactions of the Board.

Section 9.06. Workmen's Compensation Insurance. The Association shall carry Workmen's Compensation insurance if and to the extent necessary to meet the requirements of law.

Section 9.07. Additional Insurance. The Association shall carry any additional insurance as the Board of Directors may determine or the Declaration may require.

Certified to be the By-Laws adopted by consent of the Directors of Crescent Park Homeowner's Association, Inc. dated this 7th day of APRIL, 1992.


James C. Regester, Secretary