

EXHIBIT D

To Declaration of North Douglas Condominium Regime dated _____, 2006.

CODE OF BY-LAWS

NORTH DOUGLAS CONDOMINIUM REGIME

AND

NORTH DOUGLAS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

IDENTIFICATION AND APPLICABILITY

Section 1.01. Identification and Adoption. These are the By-Laws of **NORTH DOUGLAS CONDOMINIUM REGIME** and of **NORTH DOUGLAS CONDOMINIUM ASSOCIATION, INC.**, herein called the "Association", an Indiana nonprofit Corporation, for which a Certificate of Incorporation was issued on _____, 2006. These By-Laws are adopted simultaneously with the execution of a certain Declaration (the "Declaration") creating North Douglas Condominium Regime ("North Douglas Condominiums"), to which these By-Laws are attached and of which they are made a part. The Declaration is incorporated in these By-Laws by reference. All of the covenants, rights, restrictions, provisions and liabilities contained in the Declaration 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 II of the Declaration containing definitions of terms. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association. These By-Laws shall also constitute the By-Laws of North Douglas Condominiums.

Section 1.02. Individual Application. All of the Owners, future Owners, tenants, future tenants and their guests, invitees and licensees, and any other person that might use or occupy a Condominium 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 Directors as provided in These By-Laws or the Declaration.

ARTICLE II

MEMBERSHIP

Section : 2.01. Classes. There shall be two classes of membership: Voting Members and Non-voting Members, as follows:

a. Voting Members shall be the Owners of the Condominium Units in North Douglas Condominiums.

b. The Non-voting Members shall be any initial member and any member of the initial Board of Directors as described in these By-Laws who is not an Owner of a Condominium Unit in North Douglas Condominiums.

Section 2.02. Rights, Preferences, Limitations and Restrictions of Classes. Except for voting rights, all members shall have the same rights, preferences, limitations and restrictions.

Section 2.03. Voting Rights of Classes. Only Voting Members shall be entitled to vote as members. Voting rights of Voting Members, including the number of votes each member may cast, shall be governed by the provisions of the Declaration and these By-Laws.

ARTICLE III

MEETINGS OF ASSOCIATION

Section 3.01. Purpose of Meetings. At least annually, and at such other times as may be necessary, the meetings of the Members shall be held for the purpose of electing the Board of Directors, subject to the provisions of Section 4.02 below, 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, or as desired by the Owners.

Section 3.02. Annual Meetings. The annual meeting of the Members shall be held on the last Wednesday in March of each calendar year. At the annual meeting, the Members shall, subject to the provisions of Section 4.02 below, elect the Board of Directors in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 3.03. Special Meetings. Special meetings of Members may be called by the President, by a majority of the Board of Directors, or by written petition signed by not less than one-tenth of all Voting Members. 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 may be transacted at a special meeting except as stated in the resolution or petition.

Section 3.04. Notice and Place of Meetings. All meetings of the Members of the Association shall be held at such place in St. Joseph County, Indiana, as may be designated by the Board of Directors. Written or printed notice stating the place, day and hour of the 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 or by the officer or person calling the meeting to each Voting Member of record, not less than ten days prior to the date of the meeting, at the address which appears on the records of the Association. A copy of each written notice shall also be delivered or mailed simultaneously by the Secretary of the Association to each Mortgagee (i) who requests in writing that such notices be delivered to it, and (ii) who has furnished the Association with its name and address in accordance with Section 9.01 below. Notice of any meeting of the Members may be waived in writing filed with the Secretary or by attendance in person.

Section 3.05. Voting and Conduct of Meetings.

a. Number of Votes. Each Voting Member shall be entitled to cast the Percentage Vote of 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 Condominium Unit constitutes or consists of more than one person, or is a partnership or a limited partnership, there shall be only one voting representative entitled to all of the Percentage Vote allocable to that Condominium Unit. At the time of acquisition of title to a Condominium Unit by a multiple Owner or a partnership or limited partnership, those persons constituting such Owner or the managing partner or partners shall file with the Secretary of the Association a proxy appointing one of those persons or partners as the voting representative for such Condominium Unit, which shall remain in effect until all of the parties constituting the multiple Owner or the managing partner or partners in the partnership or limited partnership designate another voting representative in writing, or the appointed representative relinquishes his 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 the Condominium Unit. The appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings pursuant to paragraph g. of this Section 3.05, which will not constitute a permanent relinquishment of his right to act as voting representative for the Condominium Unit.

c. Voting by Corporation or Trust. Where a corporation or trust is an Owner, 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 the corporation may cast the vote to which the corporation is entitled. The secretary of the corporation or a trustee of the trust shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by that person to the Secretary of the Association stating who is authorized to vote on behalf of the corporation or trust.

d. A Nonvoting Member shall have no voting rights.

e. An incorporator, officer, or Director of the Association who is an Owner of a Condominium Unit shall have the rights of a Voting Member.

f. No Member whose dues or assessments are unpaid, at the time of the commencement of a meeting shall be entitled to vote.

g. A Member 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.

h. Except where otherwise expressly provided in the Declaration, Voting Members, represented in person or by proxy, entitled to vote more than 50% of the total Percentage Vote shall constitute a quorum; except, in cases of a meeting called for the purpose of voting on a proposed amendment to the Articles of Incorporation, merger, consolidation, reorganization, special corporate transaction, or voluntary dissolution, or an annual meeting at which such vote is conducted for the purpose of voting on that matter only, a quorum shall be constituted by those Voting Members that are present in person or by proxy at the meeting at which such vote is conducted.

i. The President of the Association shall act as the Chairman of all annual meetings of the Association if he is present. At all annual 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 meeting held subsequent thereto, unless reading is waived by a majority vote of those present.

(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. After the Applicable Date, the proposed budget for the current fiscal year, unless previously approved by the Voting Members, shall be presented to the Voting Members for approval or amendment.

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by any Member from those persons eligible to serve. The nominations shall be in writing and presented to the Secretary of the Association at least seven days prior to the date of the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Member may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he may not cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each Voting Member shall sign his ballot. The foregoing provisions are subject to the provisions of Section 4.02 below.

(5) Other Business. Other business may be brought before the meeting only by a written request submitted to the Secretary of the Association at least seven 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 vote of those present.

(6) Adjournment.

j. The President of the Association shall act as Chairman of any special meetings 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 the special meeting shall be in consideration of the matters for which the meeting was called, as set forth in the notice of the special meeting.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01. Management. The affairs of the Association and of North Douglas Condominiums shall be governed and managed by the Board of Directors (collectively, the "Board" or the "Directors", and individually, "Director"). Except for the Initial Board, the Board shall be composed of nine persons. No person will be eligible to serve as a Director unless he is, or is deemed in accordance with the Declaration to be, an Owner. A person appointed by Declarant as provided in Section 4.02 below is deemed to be an Owner for eligibility purposes.

Section 4.02. Initial Board of Directors. The initial Board shall be Lance Cleland, Larry Cleland, Linda Leblang and David Armstrong, (the "Initial Board"), all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary in, or any other provisions of, these By-Laws, the Declaration or the Act, (a) the Initial Board shall hold office until (i) _____, 2016, (ii) the date that all of the Expandable Area has been

subjected and submitted to the Act and the Declaration by Declarant and Declarant does not own any Condominium Units, (iii) the date Declarant files for record in the office of the Recorder of St. Joseph County, Indiana, an instrument waiving and releasing its reserved right, as set forth in Article XX of the Declaration, to expand or further expand North Douglas Condominiums and Declarant does not own any Condominium Units, or (iv) at an earlier date that Declarant may determine, whichever of the above is earliest, such date being the date when the Initial Board will no longer hold office (the "Applicable Date"), and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever, prior to the Applicable Date, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board. Each Member, by acceptance of a deed to a Condominium Unit, or by acquisition of any interest in a Condominium Unit by any type of juridic acts, *inter vivos* or *causa mortis*, or otherwise, shall be deemed to have appointed Declarant as such Member's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date, to exercise all of that Member's right to vote and to vote as Declarant determines on all matters as to which Members are entitled to vote under the Declaration, these By-Laws, the Act, or otherwise. This appointment of Declarant as the Member's agent, attorney-in-fact and proxy will not be affected by incompetence of the Member granting the same.

Section 4.03. Additional Qualifications. When a Member consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Member, or a partner or an officer or trustee shall be eligible to serve on the Board, except that no single Condominium Unit may be represented on the Board by more than one person at a time.

Section 4.04. Term of Office and Vacancy. Subject to the provisions of Section 4.02 above, three members of the Board shall be elected at each annual meeting of the Association. The Initial Board shall be deemed to be elected and re-elected as the Board at each annual meeting until the Applicable Date. After the Applicable Date, each member of the Board shall be elected for a term of three years, except that at the first election after the Applicable Date three members of the Board shall be elected for a three year term, three for a two year term, and three for a one year term so that the terms of one-third of the Directors shall expire annually. There shall be separate nominations for the office of each Director to be elected at the first election after the Applicable Date. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions of Section 4.02 above as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining Directors or by vote of the Members if a Director is removed in accordance with Section 4.05 below. The Director filling a vacancy shall serve until the next annual meeting of the Members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

Section 4.05. Removal of Directors. A Director or Directors, 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 Members duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Members nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Members and until his successor is duly elected and qualified.

Section 4.06. Duties of the Board of Directors. The Board shall provide for the administration of North Douglas Condominiums, the maintenance, upkeep and replacement of the Common Areas and Limited Common Areas, unless the same are otherwise the responsibility or duty of Owners of Condominium Units, and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Association, employ a property management agent ("Managing Agent"), on such terms as the Board shall find, in its discretion, reasonable and appropriate. 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 and Limited Common Areas, unless the same are otherwise the responsibility or duty of Owners of Condominium Units; provided, however, that this duty will 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 service or security system for protection or surveillance, and the same need not be furnished.
- b. Procuring of utilities used in connection with North Douglas Condominiums; removal of garbage and waste, and snow removal from the Common Areas, the driveways, parking areas and sidewalks, but not the patios, and such other Limited Common Areas as the Board may determine.
- c. Landscaping, maintenance and upkeep of the Common Areas and, where applicable, the Limited Common Areas.
- d. Surfacing, paving and maintaining driveways, parking areas and sidewalks, to the extent the same are not included in a Condominium Unit, and such Limited Common Areas as the Board may determine.
- e. Assessment and collection from the Members of the Member's share of the Common Expenses.
- f. Preparation of the proposed annual budget, a copy of which shall be mailed or delivered to each Member at the same time as the notice of annual meeting is mailed or delivered. Also, preparation of a temporary annual budget if the Board deems it advisable.
- g. Keeping a current, accurate and detailed record of receipts and expenses incurred in the prior year, and preparing and delivering annually to the Members a full accounting thereof; and such accounting shall be delivered to each Member simultaneously with delivery of the proposed annual budget for the current year.
- h. Procuring and maintaining for the benefit of the Members, the Association and the Board the insurance coverages required by the Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable.

Section 4.07. Powers of the Board of Directors. The Board shall have those 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 Members equipment, materials, labor and services as may be necessary in the judgment of the Board.
- c. To employ legal counsel, architects, engineers, contractors, accountants and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of North Douglas Condominiums.

- d. To employ, designate, discharge and remove personnel as in the judgment of the Board may be necessary for the maintenance, upkeep, repair and replacement of the Common Areas and, where applicable, the Limited Common Areas.
- e. To include the costs of all of the above and foregoing as Common Expenses and to pay all of those costs.
- 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 4.08. Limitation on Board Action. After the Applicable Date, the authority of the Board to enter into contracts shall be limited to contracts involving a total expenditure of less than \$20,000.00 without obtaining the prior approval of a majority of the Members, except that in the following cases such approval will not be necessary:

- a. Contracts for replacing or restoring portions of the Common Areas or Limited Common Areas damaged or destroyed by fire or other casualty where the 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 Members at the annual meeting.
- c. Expenditures necessary to deal with emergency conditions in which the Board reasonably believes there is insufficient time to call a meeting of the Members.

Section 4.09. Compensation. No Director shall receive any compensation for his services as Director except to such extent as may be expressly authorized by a majority of the Members. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 4.10. Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. The Secretary shall give notice of regular meetings of the Board to each Director personally or by United States Mail at least five 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 the meeting shall give written notice thereof to the Secretary who shall either personally or by mail, and at least three days prior to the date of the special meeting, give notice to the Directors. The notice of the meeting shall contain a statement of the purpose for which the meeting is called. The meeting shall be held at such place and at such time within St. Joseph County, Indiana, as shall be designated in the notice.

Section 4.11. Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of the meeting and that waiver shall be deemed equivalent to the giving of the required notice. The presence of any Director at a meeting or his subsequent consent to the actions taken at that meeting, shall, as to that Director, constitute a waiver of notice of the time, place and purpose of that meeting. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 4.12. Quorum. After the Applicable Date, in all meetings of the Board, five 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 constitute the decision and action of the Board.

Section 4.13. Action in Lieu of Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if prior to that action a written consent to that action is signed by all members of the Board. The written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 4.14. Non-Liability of Directors. The Directors will not be liable to the Members or any other person 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 and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of North Douglas Condominiums or the Association, unless a contract has been made in bad faith or contrary to the provisions of the Declaration or By-Laws. It is intended that Directors will have no personal liability with respect to any contract made by them on behalf of North Douglas Condominiums or the Association and that in all matters the Board is acting for and on behalf of the Members as their agent. The liability of any Member arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to his Percentage Interest. Every contract made by the Board or the Managing Agent on behalf of North Douglas Condominiums shall provide that the Board and the Managing Agent, as the case may be, are acting as agent for the Members and will have no personal liability thereunder, except in their capacity as Members, if applicable, and then only to the extent of their Percentage Interest.

Section 4.15. Bond. The Board may require the Managing Agent, the Treasurer and such other officers as the Board deems necessary to provide surety bonds, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board. Any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board or the Insurance Trustee. The expense of any such bonds shall be a Common Expense.

ARTICLE V

OFFICERS

Section 5.01. Officers of the Association. The principal officers of the Association shall be the President, one or more Vice Presidents, 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 may not be performed by the same person.

Section 5.02. 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 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 5.03. 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 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 Members 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 5.04. 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 delegated by the President.

Section 5.05. The Secretary. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meetings, shall perform all other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 5.06. 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 who shall perform such other duties as are incident to the office of Treasurer or are imposed upon him by the Board. 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 permit the Managing Agent to handle and account for monies and other assets of the Association to the extent appropriate as part of its duties.

Section 5.07. Assistant Officers. The Board of Directors may, from time to time, designate and elect from among the Members an Assistant Secretary and an Assistant Treasurer who shall have such powers and duties as the officers whom they are elected to assist shall delegate to them and such other powers and duties: as these By-Laws or the Board may prescribe.

ARTICLE VI

ASSESSMENTS

Section 6.01. 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 Member 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 6.02. Proposed Annual Budget. Annually, on or before the date of the annual meeting of the Association, the Board 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 Member at or prior to the time the notice of such annual meeting is mailed or delivered to the Members. The annual budget shall be submitted to the Members at the annual meeting of the Association for adoption and, if adopted, shall be the basis for the Regular Assessments, defined below, for the current fiscal year. At the annual meeting of the Members, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Members; provided, however, that in no event may the annual meeting of the Members 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 extraordinary 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. The replacement reserve fund for capital expenditures and replacement and extraordinary 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 the State Indiana, selected from time to time by the Board. The failure or delay of the Board of Directors in preparing a proposed annual budget and in furnishing a copy thereof to the Members will not constitute a waiver or release in any manner of the obligations of the Members to pay the Common Expenses as provided, whenever determined. Whenever, whether before or after the annual meeting of the Association, there is no annual budget approval by the Members as herein provided for such current fiscal year, the Members shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon 115% of such last approved budget, as a temporary budget. The provisions of this Section 6.02 are subject to the provisions of Section 4.02 hereof.

Section 6.03. Regular Assessments. The annual budget as adopted by the Members 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 Condominium Unit based on the Percentage Interest of each Condominium Unit. Immediately following the adoption of the annual budget, each Member shall be given written notice of the assessment against his respective Condominium Unit (the "Regular Assessment"). If the Regular Assessment for a particular fiscal year is initially based on a temporary budget, that Regular Assessment shall be revised, within fifteen days after adoption of the final annual budget by the Members, to reflect the assessment against each Condominium Unit based upon the annual budget as finally adopted by the Members. 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 provided above. The Regular Assessment against each Condominium 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 or the Managing Agent, as directed by the Board; provided, however, Members 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, then (i) if the Regular Assessment based upon the final annual budget adopted by the Members exceeds the amount of the Regular Assessment based on 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 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 (ii) if the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Member, 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 a Member has paid his Regular Assessment either quarterly, semiannually or annually in advance, then the adjustments set forth under (i) above, or (ii) shall be made by a cash payment by, or refund, to the Member on the first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Members.

The Regular Assessment for the current fiscal year of the Association shall become a lien on each separate Condominium 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 a Member 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, conveys or transfers his Condominium Unit or any interest therein, shall not relieve or release such Member or his successor as Owner of that Condominium Unit from payment of the Regular Assessment for such Condominium Unit as finally determined, and such Member and his successor as Owner of such Condominium Unit shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Association pursuant to Section 9.02 below 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 that year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by the final determinations. Monthly installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Association, and neither the Board nor the Association shall be responsible for providing any notice or statements to Members for the same.

Section 6.04. 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 Members, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Condominium Unit, prorated in accordance with the Percentage Interest of each Condominium Unit ("Special Assessment"). Without limiting the generality of the foregoing, provisions, Special Assessments may be made by the Board from time to time to pay for

capital expenditures, and 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 under the circumstances described in the Declaration.

Section 6.05. Failure of Member to Pay Assessments.

a. No Member 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, in the proper case, of Limited 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 Condominium Unit belonging to him. Each Member shall be personally liable for the payment of all Regular and Special Assessments. Where the Member constitutes more than one person, the liability of such persons shall be joint and several. If any Member fails, refuse or neglect to make any payment of any Regular Assessments or Special Assessments when due, the lien for such Assessment on the Member's Condominium Unit may be filed and foreclosed by the Board for and on behalf of the Association as provided by the Act. Upon the failure of a Member to make timely payments of any Regular Assessments or Special 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 to the contrary. In any action to foreclose the lien for any Assessments, the Owners and any occupant of the Condominium Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Condominium Unit, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Condominium 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 Condominium Unit.

b. Notwithstanding anything contained in this Section or elsewhere in the Declaration and these By-Laws, any sale or transfer of a Condominium 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 become due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien will not relieve the prior Owner of the Condominium Unit from personal liability. No such sale, transfer or conveyance shall relieve the Condominium 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 Assessments or Special Assessments later becoming due or from the lien thereof. 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 Members, including the party acquiring the subject Condominium Unit from which it arose, as provided in the Act.

Section 6.06. Assessments Prior to Applicable Date. The purpose of this Section is to provide for the maintenance and upkeep of North Douglas Condominiums 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, or any temporary budget, and all Regular Assessments and Special Assessments shall be established by the Initial Board without meetings of or concurrence of the Members. Payment of the Regular Assessments prior to the Applicable Date with respect to each Condominium Unit shall commence on the date of conveyance by Declarant to the new Member. The first payment shall be payable on the date of conveyance prorated to the first date of the next calendar month. Thereafter payment of the Regular Assessments shall be paid the first day of each calendar month during the period prior to the Applicable Date.

Section 6.07. Maintenance and Repairs. Every Member shall promptly perform all maintenance and repair within his own Condominium Unit which, if neglected, would affect the value of the Property. In addition, each Member shall furnish, and shall be responsible, at his own expense, for the maintenance, repairs and replacements of his Condominium Unit, Common Areas and Limited Common Areas as provided in these By-Laws and the Declaration, and all equipment serving the same. Such maintenance, repairs and replacements which each Owner is responsible to make personally and at his own expense include, but are not necessarily limited to, water lines, gas lines, plumbing and electric lines which service the Member's Condominium Unit only and are located within exterior walls of the Condominium Unit, including any lines in the area from below the floor to above the roof or ceiling if they are within an extension of the exterior walls of the Condominium Unit, all partitions and interior walls, ceilings and floors, appliances, to include garbage disposals, dishwashers, stoves, ranges and refrigerators, telephones, air conditioning and heating equipment, whether located wholly or partially inside or outside the Condominium Unit, doors, screens and windows, including exterior and interior of all glass and screen surfaces, lamps, and interior and exterior grouting and/or caulking and all other accessories appurtenant to the Condominium Unit or belonging to the Member; provided that the Association will wash the exterior of glass windows to the extent provided in any rules and regulations adopted by the Board.

If, due to the willful, intentional or negligent acts or omissions of a Member or of a member of his family, or of a guest, tenant or other occupant or visitor of such Member, damage is caused to the Common Areas or to a Condominium Unit or Limited Common Area owned by or reserved for the use of others, or if maintenance, repairs or replacements shall be required thereby which would otherwise be at the Common Expense, then such Member shall pay for the damage and the maintenance, repairs and replacements, as may be determined by the Association, unless the loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. Maintenance, repairs and replacements to the Common Areas or the Condominium Units or Limited Common Areas is subject to the rules and regulations adopted from time to time by the Board.

To the extent that equipment, facilities and fixtures within any Condominium Unit is connected to similar equipment, facilities or fixtures affecting or serving other Condominium Units or any Common Areas or Limited Common Areas, then the use thereof by the Owner of such Condominium Unit shall be subject to the rules and regulations adopted from time to time by the Board. The authorized representatives of the Association or Board or the Managing Agent, shall have reasonable access to any Condominium Unit as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or

Limited Common Areas or any parts thereof, or any equipment, facilities or fixtures affecting or serving other Condominium Units or any Common Areas or Limited Common Areas.

ARTICLE VII

RESTRICTIONS, ENTRY AND RULES AND REGULATIONS

Section 7.01. Restrictions on Use. The following restrictions on the use and enjoyment of the Condominium Units, Common Areas, Limited Common Areas and the Property shall be applicable to North Douglas Condominiums and are in addition to those set forth in the Declaration:

- a. All Condominium Units shall be used exclusively for residential purposes and no Condominium Unit may be partitioned or subdivided.
- b. No additional buildings may be erected or located on the Tract, or any portions of the Expandable Area which are then a part of the Property, other than the Buildings designated in the Declaration as amended and shown on the Plans as amended, without the consent of the Board.
- c. Nothing may be done or kept in any Condominium Unit or in the Common Areas or Limited Common Areas which will cause an increase in the rate of insurance on any Building or the contents thereof, except as permitted by the Declaration. No Member may permit anything to be done or kept in his Condominium Unit or in the Common Areas or Limited Common Areas which will result in a cancellation of insurance on any Building or any part of the Common Areas or contents thereof, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.
- d. No nuisance may be permitted and no waste may be committed in any Condominium Unit, Common Areas, or Limited Common Areas.
- e. Except as permitted by the Declaration, no Member may cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of any Building, and no sign, awning, canopy, shutter, radio or television antenna, satellite dish or other attachment or thing may be affixed to or placed upon the exterior walls or roofs or any other parts of any Building or Common Area or Limited Common Area without the prior consent of the Board.
- f. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Condominium Unit or in the Common Areas or Limited Common Areas or on the Property, except that pet dogs, cats or customary household pets may be kept in a Condominium Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. A Member shall be fully liable for any injury or damage to persons or property including the Common Areas or Limited 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 Member 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 or the Limited Common Areas, a limitation of the number of permissible pets or any category of pets, and a limitation on the area or areas to which the activities of any pets shall be restricted. Any such security deposit shall be returned to the Member when the pet is permanently removed from the Property, except to the extent said

deposit has been used to repair damage caused by such pet. Any requirement for the depositing of such a security deposit will not be deemed to release or in any way limit a Member'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 nuisance or unreasonable disturbance or noise, shall be permanently removed from the Property within ten days after written notice from the Board to the Owner to do so.

g. Nothing may be done or permitted in any Condominium Unit which will impair the structural integrity of any Building or which would affect the exterior appearance of any Condominium Unit, except as otherwise provided in the Declaration or these By-Laws. No Condominium Unit may be used in any unlawful manner or in any manner which might cause injury to the reputation of North Douglas Condominiums or which might be a nuisance, annoyance, inconvenience or damaging to other Owners and occupants of Condominium Units or neighboring property, including without limiting the generality of the foregoing, noise by the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment or machines or loud persons.

h. No clothes, sheets, blankets, rugs, laundry or other things may 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.

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

j. No "for sale", "for rent" or "for lease" signs, or other signs; or other window or advertising display may be maintained or permitted on any part of the Property or any Condominium 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 Condominium Units.

k. All Members and members of their families, their guests, invitees, or licensees, and all occupants of any Condominium Unit or other persons entitled to use the same and to use and enjoy the Common Areas and Limited Common Areas or any part thereof, shall observe and be governed by these restrictions and 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 Condominium Units, the Common Areas and Limited Common Areas.

l. No boats, campers, trailers of any kind, buses, mobile homes, mini bikes, mopeds, or any other vehicles of any description other than normal passenger vehicles, may be maintained, parked or stored anywhere within the Property; provided, however, that nothing shall prevent the parking or storage of such vehicles completely enclosed within a garage. No repair work may be done on the Property on any vehicles, including passenger automobiles.

m. No Member may plant trees, landscape or do any gardening in any of the Common Areas or Limited Common Areas, except with express permission from the Board.

n. No Member may place or cause to be placed in the lobbies, vestibules, stairways, hallways or areas of a similar nature and used for a similar purpose, both Common Areas and Limited Common Areas, any furniture, packages or objects of any kind, without the consent of the Board.

o. All garbage, trash and refuse shall be stored in appropriate containers inside the Condominium Unit, including garage, if any. Garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for

trash collection and shall be placed at such locations for trash collection as are designated by the Board.

p. 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 7.02. Right of Entry. All Members and occupants of a Condominium 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 emergency originating in or threatening his Condominium Unit, or the Building in which it is located, or any other Condominium Unit, whether the Member is present at the time or not. Any Member shall permit other persons, or their representative when so required, to enter his Condominium 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 reasonably convenient to the Member. In case of emergencies, such right of entry shall be immediate.

Section 7.03. Right of Board to Adopt Rules and Regulations. The Board may promulgate such additional rules and regulations regarding the management and operation of the Property, including but not limited to the use of the Common Areas and Limited Common Areas, as it may deem necessary from time to time. Such rules as are adopted may be amended by a vote of a majority of the Board, and the Board shall cause copies of all rules and regulations and all amendments to be delivered or mailed promptly to all Members.

ARTICLE VIII

AMENDMENT TO BY-LAWS

Section 8.01. Amendment to By-Laws. Subject to any contrary, overriding or superseding provisions set forth in these By-Laws or in the Declaration, these 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 Article XVII of 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 St. Joseph County, Indiana as required by the Declaration and the Act. Notwithstanding anything to the contrary contained in these By-Laws or in the Declaration, there may be no amendment of the Declaration or these By-Laws prior to the Applicable Date without the consent and approval of and signature by the Declarant.

ARTICLE IX

MORTGAGES

Section 9.01. Notice to Association. Any Member who places a first mortgage lien on his Condominium Unit or the Mortgagee shall notify the Secretary of the Association of that lien and provide the name and address of the Mortgagee. A record of the Mortgagee and its name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration, 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 Member or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act will be required and no Mortgagee will 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 that 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 borrower of any obligations of the borrower under the Declaration or these By-Laws which is not cured within sixty days.

Section 9.02. 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 Condominium Unit, furnish to that Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments against the Condominium Unit, which statement shall be binding upon the Association and the Members, and any Mortgagee or grantee of the Condominium Unit will not be liable for nor will the Condominium 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 6.03 above.

ARTICLE X

MISCELLANEOUS

Section 10.01. Fiscal Year. The fiscal year of the Association shall begin on the first day of January in each year and end on the last day of the following December.

Section 10.02. Membership Certificates. On request, 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. The certificates shall be nontransferable and a Member's certificate shall become void and of no force and effect upon sale by a Member of his Condominium Unit. The membership certificates shall be in a form and style determined by the Board.

Section 10.03. Personal Interests. No Member of the Association may have or receive any earnings from the Association, except that a Member who is an officer, Director or employee of the Association or who contracts with the Association may receive fair and reasonable compensation for his services as officer, Director, employee, or contractor, and a Member may also receive principal and interest on moneys loaned or advanced to the Association as provided in the Indiana Nonprofit Corporation Act of 1991, as amended.

Section 10.04. Indemnification of Directors, Officers Employees, and Agents.

a. The Association shall indemnify each person who is or was a Director, officer, employee, or agent of the Association, or of any other corporation, partnership, joint venture, trust, or other enterprise (collectively, "other enterprise") which he is serving, or has served in any capacity at the request of the Association against any and all liability and reasonable expenses that may be incurred by him in connection with or resulting from any claim, action, suit or proceeding, whether actual or threatened, brought by, or in the right of the Association or such other enterprise, or otherwise, civil, criminal, administrative, investigative, or in connection with an appeal relating thereto, in which he may become involved as a party, or otherwise, by reason of his being or having been a Director, officer, employee, or agent of the Association, or of such other enterprise, or by reason of any past or future action taken or not taken in his capacity as such Director, officer, employee, or agent, whether or not he continues to be such at the time such liability or expense is incurred, provided that such person acted in good faith, and in what he reasonably believed to be the best interest of the Association, or such other enterprise, as the case may be, and, in addition, in any criminal action or proceeding, he had no reasonable cause to believe that his conduct was unlawful. As used in this Section, the terms "liability" and "expense" shall include, but is not limited to, attorney's fees and disbursements and amounts of judgments, fines or penalties against, and amounts paid in settlement by, a Director, officer, employee or agent. The termination of any claim, action, suit, or proceeding, civil or criminal, by judgment, settlement, whether with or without Court approval, or conviction, or upon a plea of guilty or of *nolo contendere*, or its equivalent, will not create a presumption that a Director, officer, employee, or agent did not meet the standards of conduct set forth in the first sentence of this Section.

b. Any Director, officer, employee, or agent who has been wholly successful, on the merits, or otherwise, with respect to any claim, suit, or proceeding of the character described In this Section 10.04 shall be entitled to indemnification as of right. Except as provided in the proceeding paragraph, any indemnification under this Section 10.04 shall be made at the reasonable discretion of the Association, but only if (i) the Board, acting by a quorum consisting of Directors who are not parties to or who have been wholly successful with respect to such claim, action, suit, or any proceeding, shall reasonably find that the Director, officer, employee, or agent has met the standards of conduct set forth in the first sentence of this Section, or (ii) independent legal counsel, who may be regular counsel of the Association, shall deliver to it their written opinion that such Director, officer, employee, or agent has met such standards.

c. If several claims, issues, or matters of action are involved, any such person may be entitled to indemnification as to some matters even though he is not entitled as to others.

d. The Association may, at its expense, undertake the defense of any such Director, officer, employee, or agent upon receipt of an undertaking by or on behalf of such person to repay such expenses, if it should ultimately be determined that he is not entitled to indemnification under this Section.

e. The rights of indemnification provided under this Section 10.04 shall be in addition to any rights to which any person concerned may otherwise be entitled by contract or as a matter of law, and shall inure to the benefit of the heirs, executors, and administrators of any such person.

f. The Association may purchase and maintain insurance on behalf of itself and/or on behalf of a person who is or was a Director, officer, employee or agent of the Association or who is serving or may have served at the request of the Association in any capacity for any other enterprise against any claim for indemnification asserted against it under the provisions of these By-Laws and/or against any liability asserted against such person resulting from any of his acts or omissions in such capacity, or arising out of his status in such capacity, whether or not the Association would have the power to indemnify him against such liability under the provisions of these By-Laws or of applicable statutes.

Dated _____, 2006.

NORTH DOUGLAS CONDOMINIUM ASSOCIATION, INC.

By _____
Lance Cleland, President

Attest: _____
Larry Cleland, Secretary

STATE OF INDIANA)
)SS
ST. JOSEPH COUNTY)

Before me, a Notary Public in and for St. Joseph County, Indiana, on _____, 2006, personally appeared Lance Cleland and Larry Cleland, the President and Secretary, respectively, of **NORTH DOUGLAS CONDOMINIUM ASSOCIATION, INC.**, an Indiana nonprofit corporation, known to me, and acknowledged the execution of the above Code of By-Laws.

Linda Leblang, Notary Public
Resident of St. Joseph County, Indiana
My commission expires April 5, 2009

Prepared by:
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