

AMENDMENT TO BYLAWS  
OF SHOREWALK COMMUNITY, INC.

This Amendment to the Bylaws of Shorewalk Community, Inc. was made as of the 15th day of November, 1999.

WITNESSETH THAT:

WHEREAS, the Shorewalk community located in the City of Indianapolis, Indiana consists of two (2) different residential configurations known as Shorewalk I and Shorewalk II; and

WHEREAS, the Shorewalk I condominium-style community was originally created and formed per the terms of a Declaration of Covenants, Conditions & Restrictions recorded in the Office of the Recorder of Marion County, Indiana, on November 23, 1983, as **Instrument No. 83-86338** ("Shorewalk I Declaration"); and

WHEREAS, the Shorewalk II horizontal property regime was originally created and formed pursuant to the Indiana Horizontal Property Act codified at Indiana Code § 32-1-6-1 et seq., as amended, and pursuant to the terms of a Declaration of Condominium recorded in the Office of the Recorder of Marion County, Indiana, on November 23, 1983, as **Instrument No. 83-86342** ("Shorewalk II Declaration"); and

WHEREAS, attached to each Declaration were the Bylaws applicable to both Shorewalk I and Shorewalk II, and Shorewalk Community, Inc. ("Association"), which is the homeowners association responsible for the operation and management of the entire Shorewalk development; and

WHEREAS, Section 6.1 of the Bylaws enables its provisions to be amended by a vote of the Shorewalk owners in a duly constituted meeting called for such purpose; and

WHEREAS, the owners of homes within Shorewalk I and Shorewalk II, being members of the Association, desire to amend the Bylaws of the Association as set forth below; and

WHEREAS, after notice was duly given pursuant to the Bylaws, the Annual Meeting of the owners and the Association was held on the 15th day of November, 1999, one of the stated purposes of which was to consider and adopt this Amendment to the Bylaws of the Association; and

WHEREAS, at said Annual Meeting, a majority of the owners present, in person or by proxy, voted to approve this Amendment to the Bylaws of the Association.

NOW, THEREFORE, the Bylaws are amended as follows:

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WANDA MARTIN  
MARION COUNTY RECORDER  
2000-0145400

1. The Bylaws of Shorewalk Community, Inc., applicable to both Shorewalk I and Shorewalk II, are amended by adding a new Article VIII thereto as follows:

## ARTICLE VIII

### Leasing of Homes and Maximum Number of Homes Owned by a Single Owner

Section 8.1. Definitions. As used herein, the term "Home" shall include each "Dwelling" or "Unit" within Shorewalk I and each "Condominium Unit" or "Unit" within Shorewalk II. Further, the term "Shorewalk" shall include both Shorewalk I and Shorewalk II.

Section 8.2. Limits on the Number of Homes. In order to insure that the residents within Shorewalk share the same proprietary interest in and respect of the Homes and the Common Areas, no more than thirty (30) of the one hundred ninety-four (194) Homes in Shorewalk, which is about fifteen percent (15%), may be leased or rented to non-owner occupants at any given time, except as may be otherwise provided in this Article VIII. If at any time such number of Homes are leased or rented, an Owner who wants to rent or lease his or her Home which is not already rented shall be placed upon a waiting list by the Board of Directors. When an existing tenant moves out, the Owner of that Home shall immediately notify the Board of Directors or Managing Agent of such fact and that Home cannot be re-rented until all prior Owners on the waiting list, if any, have had a chance to rent their Homes. Prior to the execution of any lease, and in addition to the requirements set forth below, the Owner must notify the Board of Directors or the Managing Agent as to that Owner's intent to lease his or her Home. After receiving such notice, the Board of Directors or the Managing Agent shall advise the Owner if Homes may be leased or whether the maximum number of Homes within Shorewalk is currently being leased. If the maximum number of thirty (30) Homes is being leased, the Board of Directors or the Managing Agent shall also notify the Owner of that Owner's position on the waiting list.

Notwithstanding the foregoing, the "rental cap" described above shall not apply to any Home of an Owner in Shorewalk who, as of November 15, 1999, is renting or leasing said Home and provides written proof thereof to the Association's Managing Agent by that date. The Owners of record of such currently-rented Homes shall not be subject to the provisions of this Section 8.2, but shall be subject to the remaining provisions of this Article VIII. However, when the legal owners of record of any of the above-described Homes sell, transfer or convey such Home(s) to another Owner after November 15, 1999, such Home(s) shall immediately become subject to this Section 8.2.

Section 8.3. Undue Hardship Exceptions and Waiver. Notwithstanding Section 8.2 above, if an Owner wishes to rent or lease his or her Home, but the maximum number of thirty (30) Homes is currently being leased, the Owner may request the Board of Directors to waive the "rental cap" and approve a proposed lease if the Owner establishes to the Board's satisfaction that the "rental cap" will cause Undue Hardship (defined hereafter). If a majority of the entire Board of Directors approves the Owner's request, the Board of Directors shall permit the Owner to rent or lease said Home, even though that would result in more than thirty (30) Homes being rented at one time, but only if the Owner satisfies all other requirements of this Article VIII. Such decision shall be at the sole discretion of the Board. Examples of an Undue Hardship include:

- (a) death, dissolution or liquidation of an Owner;

(b) divorce of an Owner;

(c) necessary relocation of the residence of an Owner to a point outside of a fifty (50) mile radius of the perimeter of Shorewalk due to a change of employment or retirement of at least one (1) of such Owners;

(d) necessary relocation of the residence of an Owner due to mental or physical infirmity or disability of at least one (1) of such Owners;

(e) other similar circumstances.

Section 8.4. Maximum Number of Dwellings Owned by a Single Owner. In addition to the definition of the term "Owner" set forth in the Declaration of Condominium for Shorewalk II and the Declaration of Covenants, Conditions & Restrictions for Shorewalk I, as used in this Section 8.4, "Owner" also means those persons or entities who comprise less than all persons or entities who own in any form or manner the fee simple title or any part thereof to any Home and those persons or entities who have any interest in any form or manner in the fee simple title or any part thereof to any Home. As an example, if any person or entity owns or has any interest in the ownership of two (2) Homes, whether in his, her or its name only, as joint tenants, as life tenant or by or through any corporation, partnership, trust, limited liability company, or any other entity, that person cannot own a third Home whether in his, her or its name only, as joint tenants, as life tenant or by or through a corporation, partnership, trust, limited liability company, or any other entity. In order to encourage Shorewalk being and remaining a community where the Owners reside on the property:

(a) No Owner may own more than two (2) Homes within Shorewalk at any time. This restriction shall not apply to any Owner who owns more than two (2) Homes which were purchased or with respect to which there was a binding purchase agreement prior to the recording of this restriction. Any purchase agreement or conveyance executed subsequent to the recording of this restriction which violates this Section 8.4(a) shall be voidable at the election of the Board of Directors and the Board of Directors, on behalf of the Association, shall have the right to exercise any and all available remedies at law or equity.

(b) If any Owner is the Owner of more than one (1) Home, such Owner or the majority of the principals of such Owner shall and must reside in Shorewalk in at least one (1) of such Homes, unless otherwise approved by the Board of Directors upon a showing by such Owner, satisfactory to the Board of Directors, of an Undue Hardship (as defined in Section 8.3 above), in which event one (1) of such Homes shall be sold within twelve (12) months of the date of commencement of such Undue Hardship, unless there is a further showing by such Owner, satisfactory to the Board of Directors, that one (1) or more of such Owners will return to reside in one (1) of such Homes and one (1) or more of such Owners in fact does so return to reside within twenty-four (24) months of the date of commencement of such Undue Hardship. After the expiration of such twelve (12) month period, or such twenty-four (24) month period, if applicable, one (1) of such Homes cannot be rented or leased, or otherwise occupied by non-Owners. Any purchase agreement, conveyance or lease or rental agreement executed

subsequent to the recording of this restriction which violates or with the passage of time by its terms will violate this Section 8.4(b) shall be voidable at the election of the Board of Directors and the Association, acting through the Board of Directors, shall have the right to exercise any and all available remedies at law or equity.

Section 8.5. General Lease Conditions. All leases, including renewals, shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior written approval of the Board of Directors. No portion of any Home other than the entire Home shall be leased for any period. No subleasing shall be permitted. All leases shall be made expressly subject and subordinate in all respects to the terms of the Declaration for either Shorewalk I or Shorewalk II (whichever is applicable), Bylaws, Articles of Incorporation, and any rules and regulations promulgated by the Board of Directors, as amended, to the same extent as if the tenant were an Owner and a member of the Association; and shall provide for direct action by the Association and/or any Owner against the tenant with or without joinder of the Owner of such Home. If such provision is not in the lease, it will be deemed to be in such lease. The Owner shall supply copies of such legal documents to the tenants prior to the effective date of the lease. In addition, the Board of Directors shall have the power to promulgate such additional rules and regulations as, in its discretion, may be necessary or appropriate concerning leasing. All Owners who do not reside in the Home shall provide the Board of Directors with the name of the tenant(s) and any other residents living in the Home.

Section 8.6. One Year Waiting Period. In addition to all other provisions of this Article VIII, for a period of at least one (1) year after an Owner's acquisition of a Home, said Owner cannot lease such Home. After such time, said Home will be eligible to be leased if all other conditions of this Article VIII are satisfied and provided further that the Owner is not delinquent in the payment of any assessments or other charges to the Association.

Section 8.7. Owner is Still Liable. No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his or her responsibility to the Association and the other Owners for compliance with the provisions of the Indiana Horizontal Property Act (applicable to Shorewalk H only), the Declaration for either Shorewalk I or Shorewalk II (whichever is applicable), the Articles of Incorporation, the Bylaws, and any rules and regulations promulgated by the Board of Directors, or from the Owner's liability to the Association for payments of assessments or any other charges.

Section 8.8. Association's Copy of Lease. A copy of each executed lease by an Owner which identifies the tenant (but which may have the rental amount deleted) shall be provided to the Managing Agent by the Owner within thirty (30) days after execution.

Section 8.9. Violations. Any lease or attempted lease of a Home in violation of the provisions of this Article VIII shall be voidable at the election of the Association or any other Owner, except that neither party to such lease may assert this provision of this Article VII to avoid its obligations thereunder.

Section 8.10. Institutional Mortgagees. The provisions set forth in this Article VIII shall not apply to any institutional mortgagee of any Home which comes into possession of the Home by reason

of any remedies provided by law or in equity or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure.

2. All other provisions of the Bylaws are unchanged and shall remain in full force and effect.

3. Certification. The undersigned persons hereby represent and certify that all requirements for and conditions precedent to the Amendment of the Bylaws have been fulfilled and satisfied.

Executed this 29th day of August, 2000.

SHOREWALK COMMUNITY, INC., by:

Thomas R. McLahlan  
Thomas R. McLahlan, President

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

Before me, a notary public, in and for said County and State, personally appeared Thomas R. McLahlan, the President of Shorewalk Community, Inc., an Indiana nonprofit corporation, who acknowledged execution of the within and foregoing Amendment to the Bylaws of Shorewalk Community, Inc., for and on behalf of said corporation and its members and who, being duly sworn, stated that the Certifications and representations made therein are true. Witness my hand and notarial seal this 29th day of AUGUST, 2000.

Jeffrey L. Price  
Notary Public - Signature  
JEFFREY L. PRICE  
Printed

My Commission Expires: 9/20/00  
Residence County: MARION

This instrument prepared by, and should be returned to, P. Thomas Murray, Jr., Eads & Murray, P.C., Attorneys at Law, 7321 Shadeland Station, Suite 250, Indianapolis, IN 46256. (317) 842-8550.