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CARDINAL COVE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

November 12, 1985

DECLARANT: RYAN HOMES, INC.

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DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
RYAN HOMES, INC.

This Declaration (hereinafter referred to as "the Declaration" or "this Declaration"), made this 12th day of November, 1985, by Ryan Homes, Inc., a Pennsylvania corporation (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real estate in Marion County, State of Indiana, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Real Estate").

WHEREAS, Declarant desires and intends to create on the Real Estate a residential community to be known as Cardinal Cove with provision for the maintenance of lawns in the Common Areas, removal of snow from private streets and certain public streets, the rental of certain street lighting and the purchase of certain insurance for the benefit of such residential community; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the values and amenities in such community and, to this end, Declarant desires to subject the Real Estate to certain rights, privileges, covenants, conditions, restrictions, easements, assessments, charges and liens, each and all to the extent herein provided, for the benefit of the Real Estate and each Owner of all or part thereof; and

WHEREAS, Declarant deems it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which shall be delegated and assigned the power and duty to (i) administer any Common Properties located on the Real Estate, (ii) provide for the maintenance of lawns and landscaping on the Common Properties, removal of snow from private streets and certain public streets; (iii) purchase insurance, (iv) enforce the covenants and restrictions contained in this Declaration, (v) collect and disburse the assessments and charges imposed and created hereby and hereunder, and (vi) promote the health, safety and welfare of the Owners of the Real Estate, and all parts thereof; and

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WHEREAS, Declarant has caused to be incorporated under the laws of the State of Indiana a not-for-profit corporation under the name of Cardinal Cove Homeowners Association, Inc., or a similar name, as such agency for the purpose of exercising such functions;

NOW, THEREFORE, Declarant hereby declares that the Real Estate is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, improved and occupied subject to the provisions, agreements, conditions, covenants, restrictions, easements, assessments, charges and liens hereinafter set forth, all of which are declared to be in furtherance of a plan for preservation and enhancement of the Real Estate, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Real Estate as a whole and of each of the Lots situated therein.

ARTICLE I

Definitions

Section 1. The following words and terms, when used herein or in any supplement or amendment hereto, unless the context clearly requires otherwise, shall have the following meanings:

(a) "Act" shall mean and refer to the Indiana Not-For-Profit Corporation Action of 1971, as amended;

(b) "Applicable Date" shall mean and refer to the date determined pursuant to Article IV, Section 2(b) of this Declaration;

(c) "Architectural Review Board" shall mean and refer to that committee or entity established pursuant to Article VIII, Section 1 of this Declaration for the purposes herein stated;

(d) "Articles" shall mean and refer to the Articles of Incorporation of the Corporation, as the same may be amended from time to time;

(e) "Board" or "Board of Directors" shall mean and refer to the governing body of the Corporation elected, selected or appointed as provided for in the Articles, By-Laws and this Declaration;

(f) "By-Laws" shall mean and refer to the Code of By-Laws of the Corporation, as the same may be amended from time to time;

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(g) "Common Expenses" shall mean and refer to expenses of administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Common Properties, and all sums lawfully assessed against the Owners by the Corporation, and all sums, costs and expenses declared by this Declaration to be Common Expenses;

(h) "Common Properties" shall mean and refer to (i) all portions of the Real Estate shown on any recorded Subdivision Plat of the Real Estate which are not Lots (or Blocks which are to be divided into Lots), whether such plat is heretofore or hereafter recorded, (ii) to the extent hereinafter established, such portions of the Real Estate as are herein declared to be Common Properties even though located on or constituting part of one or more Lots (or Blocks which are to be divided into Lots), and (iii) to the extent hereinafter established, such improvements located, installed or established in, to, on, under, across or through the Real Estate as are herein declared to be Common Properties whether located, installed or established entirely or partially on Lots or portions of the Real Estate which are not Lots, or both;

(i) "Corporation" shall mean and refer to Cardinal Cove Homeowners Association, Inc., an Indiana not-for-profit corporation which Declarant has caused to be incorporated under said name or a similar name, its successors and assigns;

(j) "Declarant" shall mean and refer to Ryan Homes, Inc., a Pennsylvania corporation, and any successors and assigns of it whom it designates in one or more written recorded instruments to have the rights of Declarant hereunder, including, but not limited to, any builder or builders who purchase more than one Lot for the purpose of the erection of Buildings and the resale of Dwelling Units to Owners, and any Mortgagee acquiring title to any portion of the Real Estate pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by Declarant;

(k) "Dwelling Unit" shall mean and refer to any building, structure or portion thereof situated on the Real Estate designed and intended for use and occupancy as a residence by one (1) single family;

(l) "Lot" shall mean and refer to any and each portion of the Real Estate (excluding any part of the Common Properties) designed and intended for use as a building site for, or developed and improved for use as, a Dwelling Unit, as designated by Declarant by its deed of the same to another Person. For purposes of this Declaration, a "Lot" shall be any single numbered parcel of land identified as a lot on a recorded subdivison plat of the Real Estate. The plat or plats shall be initially recorded reflecting units described on the plat as "Blocks" and the plats of said Blocks shall be amended and rerecorded to define specific Lot lines;

(m) "Mortgagee" shall mean and refer to the holder of a recorded first mortgage lien on a Lot or Dwelling Unit;

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(n) "Owner" shall mean and refer to the record Owner, whether one or more Persons, of the fee simple title to any Lot, but in any event shall not include or mean to refer to a Mortgagee or tenant unless and until such Mortgagee or tenant has acquired title to any Lot, but upon so acquiring title to any Lot a Mortgagee or tenant shall be an Owner;

(o) "Person" shall mean and refer to an individual, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof;

(p) "Plat" shall mean and refer to the Subdivision Plat or Plats of the Real Estate recorded in the Office of the Recorder of Marion County, Indiana, as the same may be hereafter amended or supplemented;

(q) "Real Estate" shall mean and refer to the parcel of real estate in Marion County, Indiana described in the first recital clause of this Declaration, and defined therein as the Real Estate;

(r) "Restrictions" shall mean and refer to the agreements, covenants, conditions, restrictions, easements, assessments, charges, liens and all other provisions set forth in this Declaration, as the same may be amended from time to time;

(s) "Zoning Commitments" shall mean and refer to the written Commitments, as amended, heretofore entered into in connection with zoning of the Real Estate, which Commitments are recorded as Instrument No. 84-57658 in the office of the Recorder of Marion County, Indiana, said recorded instrument being incorporated herein by reference, as the same may hereafter be amended in accordance with its terms.

Section 2. Other terms and words defined elsewhere in this Declaration shall have the meanings herein attributed to them.

ARTICLE II

Declaration; Common Properties and Rights Therein; Easements

Section 1. Declaration. Declarant hereby expressly declares that the Real Estate shall be held, transferred, and occupied subject to the Restrictions. Subsequent Owners or contract purchasers of any Lot (i) by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot, or (ii) by the act of occupancy of any Lot, shall accept such deed, execute such contract or occupy the Lot subject to each Restriction and agreement herein contained. By acceptance of such deed, execution of such contract or occupancy of the Lot, each Owner, contract purchaser or occupant acknowledges the rights and powers of Declarant and of the Corporation with respect to these Restrictions, and also

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for itself, its heirs, personal representatives, successors and assigns covenants, agrees and consents to and with Declarant, the Corporation, and the Owners and subsequent Owner of each of the Lots affected by these Restrictions to keep, observe, comply with and perform such Restrictions and agreement.

Section 2. Easement to Owner. Declarant hereby grants a non-exclusive easement in favor of each Owner for the use, enjoyment and benefit of the Common Properties, subject to all of the Restrictions of this Declaration, and such easement shall be an easement running with and appurtenant to each Lot. Without limiting the generality of the foregoing, each Owner, his tenants, invitees and guests, shall have and is hereby granted a non-exclusive easement and right of ingress to, egress from and access between his Lot and a public street, for pedestrian and vehicular traffic, upon, over and across the private streets shown, or to be shown, on a Subdivision Plat of the Real Estate. It is intended that the areas shown on the Subdivision Plat as private streets, whether on a Lot or on Common Properties, shall be private streets and not for public use. In addition to the Owners, their tenants, invitees and guests, all public and quasi-public vehicles, including but not limited to, police, fire and other emergency vehicles, trash and garbage collection vehicles, post office vehicles, snow removal vehicles, maintenance vehicles and privately owned delivery trucks shall have the right to enter upon and use said private streets for ingress to, egress from and access between the Lots and public streets in the performance of their duties.

Section 3. Easement to Corporation. Declarant hereby grants a non-exclusive easement in favor of the Corporation for the maintenance of the Common Properties. Said easement shall permit the Board or its agents to enter onto any Lot to make emergency repairs or to do other work reasonably necessary for the proper maintenance or operation of the Subdivision. Maintenance shall include but not be limited to maintenance of utilities which serve more than one Dwelling Unit and utilities owned and utilitized by the Corporation.

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Section 4. Encroachment Easement. If any Dwelling Unit encroaches upon another Dwelling Unit or Lot as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements, a valid easement shall be deemed to exist and run to the Owner of the encroaching improvement for the encroachment and for the maintenance thereof so long as said encroachment exists.

Section 5. Blanket Access, Drainage, Utility and Sewer Easement. Declarant further reserves to itself and the Corporation the open areas on each Lot as a blanket and unidentified Access Drainage Utility and Sewer Easement (A.D.U.&S. Easement). This Easement is intended to reserve to Declarant and the Corporation for the benefit of the Declarant, the original builder and the Lot Owners, the needed flexibility to properly install and allow to be maintained all electrical, telephone, water, gas, sewer and other services (including all lines, pipes, wires, cables, ducts, cable television wires, lawn sprinkling systems and the like) to the living units constructed on the various Lots. The A.D.U.&S. Easement shall include all open areas of the Lots outside the buildings originally constructed by Declarant or original builder, but not including any areas covered by chimneys, patios, porches or similar appurtenances of buildings. No other improvements or permanent structures (excluding walkways, driveways and fences) shall be placed within the A.D.U.&S. Easement and any fences so installed shall be and are expressly subject to the rights (including the right to remove where reasonably necessary without duty of replacement or reimbursement) of the Corporation or any public or private utility to construct, maintain, repair or remove any necessary facilities and the right of Declarant and original builder (while they own any Lots) to provide for and maintain appropriate drainage.

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ARTICLE III

Obligations of Declarant

as to Common Properties; Dedication

Section 1. Agreement to Construct and Convey Common Properties. Declarant has constructed or provided for, or will construct or provide for, the Common Properties consisting of the following items:

(a) installation of utility equipment, facilities and systems to serve the Lots (utilities shall become the property of the Owner at the point at which they enter the Dwelling Unit) and the areas designated Common Properties,

(b) installation of landscaping on the perimeter of the subdivision on the Common Properties,

(c) installation of a lake or lakes as shown on the plat,

(d) installation of water hydrants and water meter pits to be used by the Corporation for lawn maintenance on the Common Properties.

Upon final construction or provision of the Common Properties described in this Section 1, Declarant covenants to convey all of its right, title and interest in and to said Common Properties to the Corporation and all such right, title and interest in and to said items (whether owned in fee, by leasehold or in the nature of an easement or license) shall then be the property of the Corporation, whether or not the same may be located entirely or partially on any one or more of the Lots. As to any of such items of and constituting the Common Properties located entirely or partially on any one or more of the Lots, the Owners of such Lots shall have only non-exclusive easement rights therein, as described in Article II, Section 2 of this Declaration.

Section 2. Dedication. The streets shown on the Plat as Hague Road, Cardinal Cove Drive and Cardinal Cove North are hereby dedicated to the Department of Transportation for the use and benefit of the public.

ARTICLE IV

Corporation; Membership; Voting; Functions

Section 1. Membership in Corporation. Declarant and each Owner of a Lot shall, automatically upon becoming an Owner, be and become a member of the Corporation and shall remain a

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member until such time as his ownership of a Lot ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his Lot; provided, however, that any Person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a member of the Corporation.

Section 2. Voting Rights. The Corporation shall have two (2) classes of membership, with the following voting rights:

(a) Class A. Class A members shall be all Owners except Class B members. Each Class A member shall be entitled to one (1) vote for each Lot of which such member is the Owner with respect to each matter submitted to a vote of members upon which the Class A members are entitled to vote. When more than one (1) Person constitutes the Owner of a particular Lot, all such Persons shall be members of the Corporation, but all of such persons shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

(b) Class B. Class B members shall be Declarant and all successors and assigns of Declarant designated by Declarant as Class B members in a written notice mailed or delivered to the resident agent of the Corporation. Each Class B member shall be entitled to three (3) votes for each Lot of which it is the Owner on all matters requiring a vote of the members of the Corporation. The Class B membership shall cease and terminate upon the applicable date which is the first to occur of (i) the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership or (iii) December 31, 1990 (the applicable date being herein referred to as the "Applicable Date").

Section 3. Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, replacement, administration, operation and ownership of the Common Properties, to pay taxes assessed against and payable with respect to the Common Properties, to pay any other necessary expenses and costs in connection with the Common Properties, and to perform such other functions as may be designated for it to perform under this Declaration.

ARTICLE V

Board of Directors

Section 1. Management. The business and affairs of the Corporation shall be governed and managed by the Board of

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Directors. No person shall be eligible to serve as a member of the Board of Directors unless he is, or is deemed in accordance with this Declaration to be, an Owner, including a person appointed by Declarant as provided in Section 2 of this Article V.

Section 2. Initial Board of Directors. The initial Board of Directors shall be composed of the persons designated in the Articles, to-wit: Sharon K. Bruhn, Matthew A. Cullen and Mark Sharrette (herein referred to as the "Initial Board"), all of whom have been or shall be appointed by Declarant. Notwithstanding anything to the contrary contained in, or any other provisions of, this Declaration, the Articles, the By-Laws or the Act (a) the Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reasons or cause whatsoever, prior to the Applicable Date determined as provided above, every such vacancy shall be filled by a person appointed by Declarant, who shall thereafter be deemed a member of the Initial Board. Each Person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by Declarant to fill a vacancy, shall be deemed a member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such Person serving on the Initial Board shall be deemed or considered a member of the Corporation nor an Owner of a Lot for any other purpose (unless he is actually the Owner of a Lot and thereby a member of the Corporation).

Section 3. Additional Qualifications. Where an Owner consists of more than one Person or is a partnership, corporation, trust or other legal entity, then one of the Persons constituting the multiple Owner, or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Lot or Dwelling Unit may be represented on the Board of Directors by more than one Person at a time.

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Section 4. Term of Office and Vacancy. Subject to the provision of Section 2 of this Article V, one-third (1/3) of the Board of Directors shall be elected at each annual meeting of the Corporation. The Initial Board shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided herein. After the Applicable Date, one-third (1/3) of the Board of Directors shall be elected for a term of three (3) years, except that at the first election after the Applicable Date one-third (1/3) of the Board of Directors shall be elected for a three (3) year term, one-third (1/3) for a two (2) year term, and one-third (1/3) for a one (1) year term so that the terms of one-third (1/3) of the members of the Board shall expire annually. There shall be separate nominations for the office of each member of the Board to be elected at such 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 2 of this Article V 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 members of the Board or by vote of the Owners if a Director is removed in accordance with Section 5 of this Article V. The Director so 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 5. 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 votes entitled to be cast at a special meeting of the Owners duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified.

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Section 6. Duties of the Board of Directors. The Board of Directors shall be the governing body of the Corporation representing all of the Owners and being responsible for the functions and duties of the Corporation, including but not limited to, providing for the administration of the Real Estate, the management, maintenance, repair, upkeep and replacement of the Common Properties (unless the same are otherwise the responsibility or duty of Owners), and the collection of assessments and disbursement of the Common Expenses. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

(a) maintenance, repair, replacement and upkeep of the Common Properties;

(b) protection, surveillance and replacement of the Common Properties; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, 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;

(c) maintenance of utility facilities used in connection with the Common Properties (provided, that Owners shall each pay for their respective utility services and the Board shall have no obligation for such services);

(d) removal of trash and waste from the Real Estate on a basis of not less than weekly, provided further that only the Board or Managing Agent shall contract for such service and no Owner shall contract for such service;

(e) snow removal from private streets and certain public streets dedicated to the public by the Plat;

(f) assessment and collection from the Owners of the Owners' respective share of the Common Expenses;

(g) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;

(h) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;

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(i) keeping a current, accurate and detailed record of receipts and expenditures affecting the Common Properties and the business and affairs of the Corporation, specifying and itemizing the Common Expenses; all records and vouchers shall be available for examination by an Owner at any time during normal business h urs;

(j) procuring and maintaining for the benefit of the Corporation and the Board the insurance coverages required under this Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;

(k) paying taxes assessed against and payable with respect to the Common Properties and paying any other necessary expenses and costs in connection with the Common Properties;

(l) making available to Owners and Mortgagees, and to holders, insurers or guarantors of any first mortgage, current copies of this Declaration, the By-Laws or other rules concerning the Subdivision and the books, records and financial statements of the Corporation. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances; and

(m) making available to any Mortgagee or any holder, insurer or guarantor of a first mortgage, upon request, a copy of the Corporation's audited financial statement for the immediately preceding fiscal year free of charge to the party making such request.

Section 7. 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 to assist the Board in performing its duties; provided that no employment agreement with the Declarant (or a corporation or other entity affiliated with the Declarant) as Managing Agent or for any other service shall be for more than three (3) years after the Applicable Date and after the Applicable Date any such agreement shall be subject to termination by either party without cause and without payment of a termination fee upon ninety (90) days written notice to the other party;

(b) to purchase, lease or otherwise obtain for the Corporation, to enable it to perform its functions and duties, such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;

(c) 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 the Corporation;

(d) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the maintenance, upkeep, repair and replacement of the Common Properties;

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

(f) to open and maintain a bank account or accounts in the name of the Corporation;

(g) to promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations with respect to use, occupancy, operation and enjoyment of the Real Estate and the Common Properties (in addition to those set forth in this Declaration) as the Board, in its discretion, deems necessary or advisable; provided, however, that copies of any such additional rules and regulations so adopted by the Board shall be promptly delivered to all Owners.

Section 8. Limitation on Board Action. The Board's powers are subject to the following limitations:

(a) After the Applicable Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than $2,500.00 without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary.

(i) contracts for replacing or restoring portions of the Common Properties damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;

(ii) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and

(iii) expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners.

(b) The Board shall not, without the prior written approval of at least sixty-seven percent (67%) of the Owners (other than Declarant) and such approval of the Mortgagees (whose mortgage interests have been made known to the Board of Directors) holding mortgages on Lots which have at least sixty-seven percent (67%) of the votes of Lots which are subject to mortgages:

(i) by act or omission abandon, partition, subdivide, encumber, sell or transfer the Common Properties owned by the Corporation (provided, the granting of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this clause);

(ii) by act or omission change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to the architectural design of the exterior appearance of Dwellings;

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(iii) fail to maintain fire and extended coverage insurance on Common Properties if such Common Properties are insurable on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement costs; and

(iv) use hazard insurance proceeds for losses to any of the Common Properties for other than the repair, replacement or reconstruction of Common Properties.

Section 9. Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority vote of the Owners. The Managing Agent, if any is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

Section 10. Non-Liability of Directors. The Directors shall not be liable to the Owners or any other Persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation 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 the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation.

Section 11. Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any Person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, 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 that such Director is liable for gross negligence or misconduct in the performance of his

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duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote 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 Corporation or statements or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation 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 12. Bond. The Board of Directors shall provide surety bonds and shall require the Managing Agent (if any), the treasurer of the Corporation, and such other officers as the Board deems necessary, to provide surety bonds, indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors and any such bond shall specifically include protections for any insurance proceeds received for any reason by the Board. The expense of any such bonds shall be a Common Expense. The amount of the bonds shall be based upon the judgment of the Board of Directors and shall not be less than the estimated maximum of funds, including reserve funds, if any, in the custody of the Corporation or its Managing Agent at any given time during the term of the bond. In no event shall the aggregate amount of such bonds be less than a sum equal to

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three (3) months aggregate assessments on all units plus reserve funds, if any.

Section 13. Initial Management. The Initial Board has entered, or will hereafter enter, into a management agreement with Declarant (or a corporation or other entity affiliated with Declarant) or with an unaffiliated Managing Agent approved by Declarant for a term which will expire not later than December 31, 1990, under which Declarant (or such affiliate of Declarant, as appropriate) or unaffiliated Managing Agent will provide supervision, fiscal and general management and maintenance of the Common Properties and, in general, perform all of the duties and obligations of the Corporation. Such management agreement is or will be subject to termination by Declarant (or its affiliate, as appropriate) at any time prior to the expiration of its term or, if with an unaffiliated Managing Agent, in accordance with the terms of the agreement with such Managing Agent, in which event the Corporation shall thereupon and thereafter resume performance of all of its duties, obligations and functions. Notwithstanding anything to the contrary contained in this Declaration, so long as such management agreement remains in effect Declarant (or its affiliate, as appropriate) or the unaffiliated Managing Agent approved by Declarant shall have, and Declarant hereby reserves to itself (or to its affiliate, as appropriate) or the unaffiliated Managing Agent, the exclusive right to manage the Real Estate and Common Properties and to perform all the functions of the Corporation.

ARTICLE VI

Real Estate Taxes; Utilities

Section 1. Real Estate Taxes. Real estate taxes on each Lot, and on any Dwelling Unit or other improvements on each Lot, are to be separately assessed and taxed to each Lot and shall be paid by the Owner of such Lot. Any real estate taxes or other assessments against the Common Properties shall be paid by the Corporation and treated as a Common Expense.

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Section 2. Utilities. Each Owner shall pay for his own utilities which shall be separately metered to each Lot and Dwelling Unit. Utilities which are not separately metered to an Owner's Lot or Dwelling Unit shall be treated as and paid as part of the Common Expense, unless otherwise determined by the Corporation.

ARTICLE VII

Maintenance, Repairs and Replacements

Section 1. By Owners. Except as provided in Section 2(b) of this Article, each Owner shall, at his own expense, be responsible for, and shall promptly perform as the need therefor arises, all maintenance, repairs, decoration and replacement of his own Dwelling Unit, both interior and exterior. In addition, each Owner shall furnish and be responsible for the maintenance of all portions of his Lot. Each Owner shall promptly perform all maintenace and repair of his Lot and Dwelling Unit which, if neglected, might adversely affect any other Lot or Dwelling Unit or any part of the Common Properties. Such maintenance and repairs include but are not limited to internal water lines, plumbing, electric lines, gas lines, and all other fixtures, equipment and accessories belonging to the Owner and a part of or appurtenant to his Dwelling Unit or Lot.

Section 2. Common Properties.

(a) Maintenance, repairs, replacements and upkeep of the Common Properties shall be furnished by the Corporation, as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses. The Board of Directors may adopt such rules and regulations concerning maintenance, repair, use and enjoyment of the Common Properties as it deems necessary.

(b) Notwithstanding any obligation or duty of the Corporation to repair or maintain any of the Common Properties if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused to the Common Properties, or if

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maintenance, repairs or replacements shall be required thereby which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation, the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's Lot is subject.

(c) The authorized representatives of the Corporation, the Board and the Managing Agent for the Corporation (if any) shall be entitled to reasonable access to any Lot as may be required in connection with maintenance only, repairs or replacements of or to the Common Properties, including, but not limited to, access to any easements reserved by any Subdivision Plat of any portion of the Real Estate for such purposes.

ARTICLE VIII

Architectural Control

Section 1. The Architectural Review Board. As a standing committee of the Corporation, there shall be, and hereby is, established an Architectural Review Board consisting of three (3) or more Persons as may, from time to time, be provided in the By-Laws. Until the Applicable Date, Declarant shall appoint the members of the Architectural Review Board. After the Applicable Date, the Architectural Review Board shall be appointed by the Board of Directors.

Section 2. Purposes. The Architectural Review Board shall regulate the external design, appearance, use, location and maintenance of the Real Estate and of improvements thereon in such manner as to reserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.

Section 3. Conditions. No improvements, alterations, repairs, change of colors, excavations, changes in grade or other work which in any way alters the exterior of any Lot or

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the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the Declarant to an Owner shall be made or done without the prior approval of the Architectural Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, Dwelling Unit, or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot and no trees or shrubs may be planted on any Lot by a Lot Owner without the prior written approval of the Architectural Review Board; provided this restriction shall not be applicable to the original construction of a Dwelling Unit on a Lot whether such construction occurs before or after the Applicable Date.

Section 4. Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove in writing an application within thirty (30) days after such application (and all plans, drawings, specifications and other items required to be submitted to it in accordance with such rules as it may adopt) has been given to it, approval will be deemed granted by the Architectural Review Board. A decision of the Architectural Review Board may be appealed to the Board of Directors which may reverse or modify such decision by a two-thirds (2/3) vote of the Directors then serving. The Architectural Review Board may establish committees consisting of two (2) or more of its members, which committees shall exercise such powers of the Board as may be delegated to them.

ARTICLE IX

Assessments

Section 1. Annual Accounting. Annually, after the close of each fiscal year of the Corporation and prior to the date of the annual meeting of the Corporation next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then serving the Corporation, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.

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Section 2. Proposed Annual Budget.

(a) Method of Adoption and Limitation. Annually, on or before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Owners; provided that any increase of more than ten percent (10%) must be approved by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy; provided further, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all other sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis.

(b) Replacement Reserves. The annual budget and the Regular Assessments shall, in addition, be established to include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Properties, which replacement reserve fund shall be used for those purposes and not for usual and ordinary repair expenses of the Common Properties. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Properties shall be maintained by the Corporation in an interest bearing account with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana, and insured by a Federal depository agency selected from time to time by the Board.

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(c) Failure to Adopt Budget. The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses as provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred and ten percent (110%) of such last approved budget, as a temporary budget.

Section 3. Regular Assessments.

(a) Computation of Regular Assessment. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Lot, which shall be computed at follows: all estimated Common Expenses including the replacement reserve fund shall be divided by the total number of Lots in the Subdivision to determine the quotient which shall be the per Lot Regular Assessment.

(b) Notice of Regular Assessment, Due Dates and Deficiencies and Surpluses. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Lot (herein called the "Regular Assessment"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Lot

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shall be paid in advance in equal quarterly installments commencing on the first day of the first month of each fiscal year and quarterly thereafter through and including the first day of the last quarter of such fiscal year. Payment of the quarterly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay quarterly assessments semi-annually or annually, in advance. At the election and option of the Board, the Regular Assessment may be required to be paid by the Owners in advance in equal monthly installments rather than quarterly installments. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget,

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

(c) Lien for Assessments. The Regular Assessment for the current fiscal year of the Corporation shall become a lien on each separate Lot as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part

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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 Lot or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Lot from payment of the Regular Assessment for such Lot as finally determined, and such Owner and his successor as Owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Section 2 of Article XI hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly or monthly (if so determined by the Board) installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

Section 4. Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time, unless otherwise provided in this Declaration, the Articles, the By-Laws or the Act, 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 Lot, prorated in equal shares (herein called "Special Assessment"); provided, that any such assessment shall have the assent of sixty-seven percent (67%) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from

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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 therefor under the circumstances described in this Declaration.

Section 5. Failure of Owner to Pay Assessments.

(a) No Owner may exempt himself from paying Regular Assessments and Special Assessments, or from contributing toward the expenses of adminstration and of maintenance and repair of the Common Properties and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Common Properties or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one Person, the liablity of such Persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessments or Special Assessments when due, the lien for such Assessment on the Owner's Lot and Dwelling Unit may be filed and foreclosed by the Board for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon the failure of an Owner 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 hereof to the contrary. In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Lot and Dwelling Unit shall be jointly and severally liable for the payment to the Corporation of reasonable rental for such Lot and Dwelling Unit, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and Dwelling Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation 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

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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 Corporation, shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit costs and expenses of such action incurred (including but not limited to reasonable attorneys' fees) and interest from the date such Assessments were due, until paid, at a rate equal to the "prime interest rate" then being charged by The Indiana National Bank of Indianapolis to its largest and best corporate customers (or if said Bank is no longer in existence, then such rate charged by another national bank in Marion County, Indiana, selected by the Board).

(b) The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Notwithstanding anything contained in this Section or elsewhere in this Declaration, the Articles or the By-Laws, any sale or transfer of a Lot and Dwelling Unit to a Mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Regular Assessment or Special Assessment as to such installments which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior Owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Lot and Dwelling 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 thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments or Special Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense, collectible from all Owners (including the party acquiring the subject Lot and Dwelling Unit from which it arose).

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Section 6. Initial Budgets and Assessments. Notwithstanding anything to the contrary contained herein, in the Articles, in the By-Laws, in the Act or otherwise, until the Applicable Date the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without meetings of or concurrence of the Owners.

Further, until the Applicable Date, the Regular Assessments are and shall be established as follows:

(a) From the date of the first conveyance of a Lot by Declarant to any other Person until the earlier of the Applicable Date or December 31, 1986,

(i) the Regular Assessment shall be Ten Dollars ($10.00) per month on each Lot owned by someone other than Declarant, pro-rated on a daily basis for any period of time less than a month (the amount required initially to fund the insurance escrow shall be in addition to the Regular Assessment), and

(ii) the Regular Assessment shall be twenty-five percent (25%) of the amount of the Regular Assessment for each Lot owned by Declarant until sixty (60) days after completion of a Dwelling Unit on a Lot at which time the Regular Assessment for that Lot shall be raised to the full amount set forth in subparagraph (i).

(b) After December 31, 1986 (if the Applicable Date has not then occurred) and for each year thereafter until the Applicable Date, the Regular Assessment upon each Lot may be increased by the Board by an amount not greater than an amount equal to the same percentage of the Regular Assessment provided under subparagraph (a) above as the percentage increases, if any, in the Consumer Price Index between the Index figure for the month of December, 1985 and the Index figure for the last month of the year preceding the year for which such increase is to be effective. Such increases may be made by the Board annually on, or effective on, January 1 of each year until the Applicable Date. As used herein, "Consumer Price Index" means the "Consumer Price Index for All Urban Consumers, U.S. City Average of all items (CPI-U, reference base of 1967=100.)" published by the Bureau of Labor Statistics of the U.S. Department of Labor. If the publication of the Consumer Price Index of the U.S. Bureau of Labor Statistics is either discontinued, or revised by changes in the weights assigned by the 1972-73 Consumer Expenditure Survey to the expenditure groups, in the sample of items priced, in the sample of places where the pricing takes place or in the statistical methods employed in the calculation of the Consumer Price Index, then, and in any of such events, comparable statistics on the purchasing power of the consumer dollar published by a responsible financial periodical selected by the Corporation shall be substituted for said Consumer Price Index and used for making such computations.

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Notwithstanding the foregoing or anything else contained herein, until the Applicable Date (whether before or after December 31, 1990), the Regular Assessment to be paid by Declarant for each Lot owned by Declarant shall be twenty-five percent (25%) of the Regular Assessment for Owners (other than Declarant) of Lots until sixty (60) days after completion of a Dwelling Unit on a Lot at which time the Regular Assessment for that Lot shall be raised to one hundred percent (100%) of the Regular Assessment.

ARTICLE X

Mortgages

Section 1. Notice to Corporation. Any Owner who places a first mortgage lien upon his Lot, or the Mortgagee, shall notify the Secretary of the Corporation thereof and provide the name and address of the Mortgagee. A record of such Mortgagee's name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of this Declaration, the By-Laws or otherwise shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by this Declaration, the By-Laws or otherwise shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of this Declaration, the By-Laws, a proxy granted to such Mortgagee in connection with the mortgage, or otherwise.

The Corporation shall, upon request of a Mortgagee who has furnished the Corporation 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 such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days.

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Section 2. Notice of Certain Actions or Conditions. The Corporation shall, upon request of a Mortgagee (or insurer or guarantor) who has furnished the Corporation with its name and address as hereinabove provided, furnish such Mortgagee (or insurer or guarantor) with written notice of:

(i) any condemnation loss or any casualty loss which affects a material portion of the Subdivision or any Dwelling Unit on which there is a first mortgage;

(ii) any default in the performance by its borrower of any obligations of such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days;

(iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Corporation; and

(iv) any proposed action which would require the consent or approval of Mortgagees.

Section 3. Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed Mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments or charges in excess of the amounts set forth in such Statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 3 of Article X hereof.

Section 4. Unpaid Taxes and Insurance. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which have or may become a lien against any Common Properties and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for any Common Properties, and the Mortgagees making such payments shall be owed immediate reimbursement therefor by the Corporation.

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ARTICLE XI

Insurance

Section 1. Casualty Insurance.

(a) The Corporation shall purchase a casualty insurance policy with an "agreed amount and inflation guard endorsement" affording fire and extended coverage insurance insuring all insurable Common Properties owned by the Corporation in an amount consonant with the full replacement value of the improvements. If the Board of Directors can obtain such coverage for reasonable amounts it shall also obtain "all risk" coverage for said improvements. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. If deemed advisable by the Board, the Board may cause such full replacement value to be determined by a qualified appraiser. The cost of any such appraisal shall be a Common Expense of all Owners. Such insurance coverage shall be for the benefit of each Owner, and, if applicable, the Mortgagee of each Owner.

(b) All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Corporation as hereinabove set forth shall be paid to it or to the Board of Directors. In the event that the Board of Directors has not posted surety bonds for the faithful performance of their duties as such Directors or if such bonds do not exceed the funds which will come into its hands, the Board of Directors shall obtain and post a bond for the faithful performance of its duties in an amount to be determined by the Board, but not less than 150% of the loss, before the Board shall be entitled to receive the proceeds of the insurance payable as a result of such loss. The sole duty of the Board in connection with any such insurance proceeds shall be to receive such proceeds as are paid and to hold the same for the purposes elsewhere stated herein, and for the benefit of the Owners of the Corporation. The proceeds shall

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be used or disbursed by the Corporation or the Board, as appropriate, only in accordance with the provisions of this Declaration.

Such casualty insurance policies, and "all risk" coverages if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests, and/or (b) waives any defense based on the invalidity arising from the acts of the insured, and providing further, if the Board of Directors is able to obtain such insurance upon reasonable terms (i) that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Owners, and (ii) that notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable in the event the Corporation does not elect to restore.

Section 2. Public Liability Insurance. The Corporation shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time; provided, such coverage shall be for at least One Million Dollars ($1,000,000.00) for bodily injury including deaths of persons and property damage arising out of a single occurence. Such comprehensive public liability insurance policy shall cover all of the Common Properties and shall insure the Corporation, the Board of Directors, any committee or organ of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Real Estate, all Owners of Lots and all other persons entitled to occupy any Lot or Dwelling Unit. Such public liability insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Corporation or other Owners.

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Section 3. Other Insurance. The Corporation shall also obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Corporation, the Board of Directors and any Managing Agent acting on behalf of the Corporation.

Section 4. General Provisions.

(a) Premiums. The premiums for all insurance hereinabove described shall be paid by the Corporation as part of the Common Expenses. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Corporation, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or Mortgagee whose interest may be affected thereby, which notice shall be furnished by the officer of the Corporation who is required to send notices of meetings of the Corporation. All policies shall also contain an endorsement to the effect that such policy shall not be terminated for non-payment of premiums without at least thirty (30) days prior written notice to the Mortgagee of each Lot.

(b) Delegation of Authority by Owners. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.

(c) Distribution of Proceeds to Owners and Mortgagees. In no event shall any distribution of insurance proceeds be made by the Board of Directors directly to an Owner where there is a Mortgagee endorsement on the certificate of

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insurance or insurance policy or the Board has notice of a Mortgagee as it applies to such Owner's share of such proceeds. In such event any remittances shall be to the Owner and his Mortgagee jointly. The same restriction on distribution shall apply to the distribution of any condemnation awards in connection with any taking of any of the Common Properties. Notwithstanding the foregoing, under no circumstances shall any distribution of insurance proceeds in excess of amounts needed to repair damage or pay off any first mortgage or any condemnation awards be made by the Corporation to any Owners or Mortgagees if to do so would be in violation of the Act or if the same would constitute a distribution of earnings, profits or pecuniary gain to the members of the Corporation; in any such event, any such insurance proceeds or condemnation awards shall be retained by the Corporation for use in the payment of its expenses of operation.

Section 5. Insurance by Owners. Each Owner shall be solely responsible for and shall obtain such casualty insurance as he deems necessary or desirable, at his own expense, affording coverage upon his personal property, his Lot, his Dwelling Unit, the contents of his Dwelling Unit, his personal property stored anywhere on the Real Estate, and for his personal liability.

ARTICLE XII

Casualty and Restoration; Condemnation; Termination

Section 1. Casualty and Restoration. In the event of damage to or destruction of the structure or exterior of any Building or Dwelling Unit or in the event of damage to or destruction of any of the Common Properties due to fire or any other casualty or disaster, the Corporation shall promptly cause the same to be repaired and reconstructed. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

If the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and

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reconstruction, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing any Common Properties so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

Immediately after a fire or other casualty or disaster causing damage to any property for which the Board of Directors or Corporation has the responsibility of maintenance and repair hereunder, the Board shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires or deems necessary.

Section 2. Total or Partial Condemnation. In the event of the condemnation of all or any part of the Common Properties, the Board is hereby authorized to negotiate with the condemning authority and/or to contest an award made for the appropriation of such Common Properties.

Section 3. Termination. In the event of condemnation of two-thirds (2/3) or more of the Dwelling Units in the Subdivision, the remaining Owners may, by a majority vote terminate this Declaration and dissolve the Corporation, provided, however, that the restrictions set forth in the Subdivision Plat and in Article XIV shall remain in full force and effect in accordance with the terms of the Plat and Article XVIII of this Declaration.

ARTICLE XIII

Restrictions, Covenants and Regulations

Section 1. Restrictions on Use. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units and Common Properties shall be in addition to any other covenants or restrictions contained herein and in any

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Subdivision Plat of any part of the Real Estate heretofore or hereafter recorded, and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner, or by the Corporation. Present or future Owners or the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation. These covenants and restrictions are as follows:

(a) All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family.

(b) Nothing shall be done or kept in any Dwelling Unit, or on any Lot, or on the Common Properties which will cause an increase in the rate of insurance on any Dwelling Unit or the contents thereof or on any Common Properties. No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the Common Properties which will result in a cancellation of insurance on any Dwelling Unit or any part of the Common Properties, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.

(c) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit or on any Lot.

(d) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or place 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 roofs or any other parts of any Dwelling Unit or on any Lot without the prior consent of the Architectural Review Board.

(e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or on any Lot or any of the Common Properties, except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash or other restraint and while attended by its Owner and an Owner shall be fully liable for any injury or damage to persons or property, including the Common Properties, caused by his pet. The tethering of pets in any area outside an Owner's fenced Lot does not constitute "attended." The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time including, but not limited to, a requirement that any Owner desiring to bring or maintain a pet on the Real Estate shall deposit with

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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 Properties. Any such security deposit shall be returned to the Owner when the pet is permanently removed from the Real Estate, except to the extent said deposit has been used or is needed to repair damage caused by such pet. Any requirement for the depositing of such security deposit shall not be deemed to release or in any way limit an Owner's responsibility and liability for injury and damage caused by his pets. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Real Estate within ten (10) days after written notice from the Board to the respective Owner to do so.

(f) No Dwelling Unit or Lot shall be used in any unlawful manner or in a manner which might cause injury to the reputation of the Subdivision developed or to be developed on the Real Estate, or which might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants of Dwelling 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.

(g) No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on, or so as to be visible from, any part of the Common Properties or any public street. The Common Properties adjacent to each Owner's Lot shall be kept free and clear of rubbish, debris and other unsightly materials by such Owner.

(h) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Real Estate; provided, however, that the right is reserved by the Declarant (including a Builder) to place or allow to be placed "for sale" or "for lease" signs on or about the Real Estate in connection with any unsold or unoccupied Lots and Dwelling Units and nothing contained herein shall be construed or interpreted to affect or restrict the activities of Declarant (including a Builder) in the marketing, advertising or sale of Lots or Dwelling Units as a part of the development of this Subdivision.

(i) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the Common Properties 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 Properties.

(j) No boats, campers, trailers of any kind, buses, mobile homes, trucks, motorcycles, mini bikes, mopeds, or any other vehicles of any description other than normal passenger automobiles, shall be permitted, parked or stored anywhere within the Real Estate. No repair work shall be done on the Real Estate on any vehicles, including passenger vehicles. No Owner owned automobiles shall be parked on the Real Estate except in garages or on the driveway on the Owner's Lot and no such vehicles may be parked on the private streets.

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(k) No Owner shall remove any tree planted by Declarant for a period of two years after first occupancy of a Dwelling Unit without the written approval of the Board.

(l) Each Owner shall keep his Lot in good order, condition and repair and free of debris, all in a manner and with such frequency as is consistent with good property management. In the event an Owner of any Lot shall fail to so maintain his Lot, the Corporation after notice to the Owner and approval by two-thirds (2/3) vote of all Owners, shall have the right to enter upon said Lot to correct, repair, maintain and restore the Lot. All costs incurred by the Corporation related to such correction, repair, maintenance or restoration shall be and constitute a Special Assessment against such Lot, payable by the Owner upon demand by the Corporation.

(m) All garbage, trash and refuse shall be stored in appropriate containers inside the Dwelling Units (including garages) and shall be kept therein until not earlier than sundown of the evening befo scheduled trash collection. Garbage, trash and refuse shall be placed in sealed disposable plastic bags or other containers approved by the Board for scheduled trash collection and shall be placed at such locations for trash collection as are designated by the Board.

(n) So long as the Zoning Commitments are in effect, no use shall be made of any part of the Real Estate which violates said Covenants, and all Owners, members of their families, their guests, tenants, invitees and all occupants or other parties entitled to use or who may use any part of the Real Estate shall at all times fully comply with, the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described in the Zoning Commitments. Notwithstanding anything to the contrary contained herein or otherwise, this subparagraph (o) may not be amended or modified in any manner whatsoever without the prior written consent of Declarant (so long as it owns any part of the Real Estate or any Lots) and of any and all parties who, at any time, may have right to approve any changes in the terms, covenants, provisions, conditions, limitations, restrictions and requirements contained and described in the Zoning Commitments; except that, notwithstanding the immediately preceding clause, Declarant shall have the right to amend the Zoning Commitments in any manner therein permitted or described without the consent or approval of any other party at any time having any interest in any part of the Real Estate.

(o) No swimming or boating shall be permitted on the Common Properties and both are hereby prohibited.

(p) Common Properties shall be used and enjoyed 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.

Notwithstanding anything to the contrary contained herein, in the Plat, or in the Articles or By-Laws, including but not limited to any covenants and restrictions set forth herein or otherwise, Declarant shall have, until the Applicable Date, the

right to use the Common Properties and, so long as Declarant owns part of the Real Estate, also the right to use any Lots and Dwelling Units owned by Declarant and other portions of the Real Estate (other than individual Dwelling Units and Lots owned by Persons other than Declarant), all of such number and size and at such locations as Declarant in its sole discretion may determine, may deem advisable or may deem necessary to aid in the construction and sale of Lots and Dwelling Units or for the conducting of any business or activity attendant thereto, including, but not limited to, model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. Declarant shall have the right to relocate any or all of the same from time to time as it desires. At no time shall any of such facilities so used or maintained by Declarant be or become part of the Common Properties, unless so designated by Declarant, and Declarant shall have the right to remove the same from the Real Estate at any time.

ARTICLE XIV

Amendment of Declaration

Section 1. Generally. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

(a) Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of the meeting at which the proposed amendment is to be considered.

(b) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or Owners having in the aggregate at least a majority of the votes of all Owners.

(c) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the By-Laws.

(d) Adoption. Any proposed amendment to this Declaration must be approved during the first twenty (20) years by a vote of the Owners to which not less than ninety percent (90%) of the votes of the Corporation are allocated and thereafter by seventy-five percent (75%) of such Owners. The instrument of amendment must be signed by such Owners and recorded. In the event any Lot or Dwelling Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof.

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(e) Special Amendments. Sixty-Seven Percent (67%) of Mortgagees Required. No amendment to this Declaration shall be adopted which changes the provisions hereof which establish, provide for, govern or regulate (1) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same, (2) Article XII of this Declaration with respect to casualty insurance to be maintained by the Corporation (3) Article XIII of this Declaration with respect to reconstruction or repair of the Common Properties in the event of fire or any other casualty or disaster, (4) establishment of the Architectural Review Board and its functions, (5) voting rights, (6) assessments, assessment liens or subordination of such liens, (7) reserves for maintenance, repair and replacement of the Common Properties, (8) insurance and fidelity bonds, (9) rights to use of the Common Properties, (10) responsibility for maintenance and repair of Common Properties, (11) boundaries of any Lot (provided that Lot boundaries may be damaged by a replat approved by the Plat Commmttee of the Metropolitan Redevelopment Commission of Marion County, Indiana, or of the Common Properties, (12) the interests of Owners in the Common Properties, (13) the leasing of Dwelling Units, (14) imposition of any right of first refusal or similar restriction on the right of a Lot Owner to sell, transfer or otherwise convey such Lot, (15) the rights of Mortgagees or insurers or guarantors of first mortgages on Lots, (16) convertibility of Dwelling Units into Common Properties or vice versa, (17) a decision by the Corporation to establish self management when professional management had been required previously by a Mortgagee or (18) termination of the legal status of the Subdivision after substantial destruction or condemnation occurs; without, in each and any of such circumstances the approval of Mortgagees (whose mortgage interests have been made known to the Board of Directors) holding mortgages on Lots which have at least sixty-seven percent (67%) of the votes of Lots which are subject to mortgages, provided, a Mortgagee who receives written notice of a proposed amendment and does not deliver or mail a negative response to the Secretary of the Board of Directors within thirty (30) days of said notice shall be deemed to have approved the proposed amendment.

(f) Recording. Each amendment to the Declaration shall be executed by Declarant or the President and Secretary of the Corporation (as applicable) and shall be recorded in the office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded.

Section 2. Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein, the Declarant shall have and hereby reserves the right and power acting alone and without the consent or approval of the Owners, the Corporation, the Board of Directors, any Mortgagees or any other Person to amend or supplement this Declaration at any time and from time to time if such amendment or supplement is made (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage

Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements, (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (e) prior to the initial conveyance of a Lot to an Owner by Declarant. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to any amendments described in this Section 2 on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record any such amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section 2 shall terminate at such time as the Declarant no longer holds or controls title to any part or portion of the Real Estate.

ARTICLE XV

Acceptance and Ratification

All present and future Owners, Mortgagees, tenants and occupants of the Lots and Dwelling Units, and other Persons claiming by, through or under them, shall be subject to and shall comply with the provisions of this Declaration, the Articles, the By-Laws and the rules and regulations as adopted by the Board of Directors, as each may be amended or supplemented from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot or Dwelling Unit

shall constitute an agreement that the provisions of this Declaration, the Articles, the By-Laws and rules and regulations, as each may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall bind any Person having at any time any interest or estate in a Lot or Dwelling Unit or the Real Estate all as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All Persons who may own, occupy, use, enjoy or control a Lot or Dwelling Unit or any part of the Real Estate in any manner shall be subject to this Declaration, the Articles, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

ARTICLE XVI

Negligence

Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents, invitees or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Corporation. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Lot or Dwelling Unit or its appurtenances or of the Common Properties.

ARTICLE XVII

Benefit and Enforcement

This Declaration and the Restrictions shall run with and bind the Real Estate for a term commencing on the date this Declaration is recorded in the office of the Recorder of Marion County, Indiana, and expiring December 31, 2015, after which time they shall be automatically extended for successive periods of ten (10) years each unless by vote of a majority of the then Owners of the Lots it is agreed to change this Declaration or the Restrictions in whole or in part, or to terminate the same.

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In the event of a violation, or threatened violation, of any of the covenants, conditions or restrictions set forth in this Declaration, Declarant (so long as Declarant remains an Owner of any part of the Real Estate), the Board, or any Owner shall have the right to enforce the covenants, conditions and restrictions contained herein and to pursue any and all remedies, at law or in equity, available under applicable Indiana law, with or without proving any actual damages, including the right to secure injunctive relief or secure removal by due process of any structure not in compliance with the covenants, conditions and restrictions contained herein, and shall be entitled to recover reasonable attorneys' fees and the costs and expenses incurred as a result thereof. The failure or delay at any time of Declarant, the Corporation, the Owners or any other Person entitled to enforce this Declaration and the Restrictions, to enforce any of the same shall in no event be deemed a waiver of the same, or of the right to enforce the same at any time or from time to time thereafter, or an estoppel against the enforcement thereof.

ARTICLE XVIII

Annexations

Additional real estate, consisting of all or any part of the real estate described in Exhibit "B" attached hereto and by this reference made a part hereof, may be annexed to the Real Estate by the Declarant and made subject to this Declaration of Covenants, Conditions and Restrictions without the consent of any other Owner at any time prior to December 31, 1990, provided that the Federal Housing Administration (FHA) and Veterans Administration (VA) determine that the annexation is in accordance with a general plat of development approved by FHA and VA. Declarant shall not, however, be obligated to annex all or any part of the real estate described in Exhibit "B" to the Real Estate. The number of additional Lots which may be annexed as a part of the Real Estate described in Exhibit "B" is one hundred fourteen (114). The annexed Lots shall be subject to assessments and the Owners thereof

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(including Declarant) shall be eligible to vote as members of the Corporation on and after the date of the re-recording of the subdivision into plat Lots for the annexed real estate and such real estate shall be subject to the terms of this Declaration on and after such date.

If additional contiguous real estate which is not described in Exhibit "B" is to be annexed, such annexation shall be at Declarant's discretion, shall be prior to December 31, 1990 and must be approved by HUD and VA as consistent with the original plat of development.

ARTICLE XIX

FHA and VA Approval

As long as there is a Class B membership in the Corporation, amendments of this Declaration pursuant to Article XV, and conveyance of Common Properties pursuant to Article III must receive the prior written approval of FHA and VA.

ARTICLE XX

Miscellaneous

Section 1. Costs and Attorneys' Fees. In any proceeding arising because of failure of an Owner to make any payments required by this Declaration, the Articles or the By-Laws, or to comply with any provision of this Declaration, the Articles, the By-Laws, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, the Corporation shall be entitled to recover its costs and reasonable attorneys' fees incurred in connection with such default or failure.

Section 2. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Properties or by abandonment of his Lot or Dwelling Unit.

Section 3. Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles or the By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles or the

By-Laws and each shall be enforceable to the greatest extent permitted by law.

Section 4. Pronouns. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires the contrary, be deemed to refer to and include all genders. Words in the singular shall include and refer to the plural, and vice versa, as appropriate.

Section 5. Interpretation. The captions and titles of the various articles, sections, subsections, paragraphs and subparagraphs of the Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.

IN WITNESS WHEREOF, RYAN HOMES, INC., Declarant, has executed this Declaration on the day and year first hereinabove set forth.

RYAN HOMES, INC.

By Mark Shaurette, Vice President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Mark Shaurette, the Vice President of RYAN HOMES, INC., a Pennsylvania corporation, and acknowledged the execution of the above and foregoing instrument for and on behalf of said corporation for the purposes and uses therein set forth.

WITNESS my hand and Notarial Seal this 12th day of November, 1985.

SHARON K. BRUHN
NOTARY PUBLIC STATE OF INDIANA
JOHNSON CO.
MY COMMISSION EXPIRES JULY 13, 1988

My Commission Expires:

Printed:
Notary Public - _____ County

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This instrument prepared by James W. Beatty, Attorney at Law.

284-123, Phase I
12-21-84, M. Bishop

CARDINAL COVE

PHASE I

A part of the Southwest Quarter of the Southwest Quarter of Section 24, Township 17 North, Range 4 East, in Marion County, Indiana, more particularly described as follows:

Beginning at the northwest corner of the Southwest Quarter of said Southwest Quarter; thence North 89°21'05" East along the north line of said Quarter-Quarter Section 907.06 feet; thence South 00°38'55" East 197.61 feet; thence South 34°55'30" West 50.00 feet to the point of curvature of a tangent curve concave Southerly having a central angle of 28°06'52" and a radius of 170.00 feet; thence Northwesterly and Westerly along said curve an arc distance of 83.42 feet (said arc being subtended by a chord bearing North 69°00'21" West and having a length of 82.58 feet); thence South 22°22'32" West 129.62 feet; thence South 40°48'37" West 117.01 feet; thence North 49°11'22" West 74.46 feet; thence South 74°57'02" West 213.63 feet; thence North 90°00'00" West 148.00 feet; thence North 85°25'45" West 50.00 feet; thence North 90°00'00" West 217.19 feet to the west line of said Southwest Quarter; thence North 00°00'00" East along said west line 409.98 feet to the point of beginning, containing 7.787 acres, more or less; subject to highways, easements and rights-of-way.

EXHIBIT A

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284-123, Phase II
12-21-84, M. Bishop

CARDINAL COVE

PHASE II

A part of the Southwest Quarter of the Southwest Quarter of Section 24, Township 17 North, Range 4 East, in Marion County, Indiana, more particularly described as follows:

Commencing at the southwest corner of said Quarter-Quarter Section; thence North 00°00'00" East along the west line of said Southwest Quarter 543.58 feet to the point of beginning: thence continuing North 00°00'00" East along said west line 371.23 feet; thence North 90°00'00" East 217.19 feet; thence South 85°25'45" East 50.00 feet; thence North 90°00'00" East 148.00 feet; thence North 74°57'02" East 213.63 feet; thence South 49°11'22" East 159.71 feet; thence South 32°56'08" West 238.39 feet to a point on a curve concave Southerly having a central angle of 33°40'23" and a radius of 195.00 feet; thence Northwesterly and Westerly along said curve an arc distance of 114.60 feet (said arc being subtended by a chord having a bearing of North 73°54'04" West and a length of 112.96 feet) to the point of tangency of said curve; thence South 89°15'44" West 14.26 feet; thence South 00°44'16" East 143.08 feet; thence South 89°15'44" West 491.70 feet to the point of beginning, containing 5.341 acres, more or less; subject to highways, rights-of-way and easements.

EXHIBIT B-1

850100044

284-123, Phase III
12-21-84, M. Bishop

CARDINAL COVE

PHASE III

A part of the Southwest Quarter of the Southwest Quarter of Section 24, Township 17 North, Range 4 East, in Marion County, Indiana, more particularly described as follows:

Commencing at the southwest corner of said Quarter-Quarter Section; thence North 00°00'00" East along the west line of said Southwest Quarter 120.18 feet to the point of beginning: thence continuing North 00°00'00" East along said west line 168.40 feet; thenc North 89°15'44" East 481.00 feet; thence North 00°00'00" East parallel with said west line 255.00 feet; thence North 89°15'44" East 10.70 feet; thence North 00°44'16" West 143.08 feet; thence North 89°15'44" East 14.26 feet to the point of curvature of a curve concave Southwesterly having a central angle of 33°40'23" and a radius of 195.00 feet; thence Easterly and Southeasterly along said curve an arc distance of 114.60 feet (said arc being subtended by a chord having a bearing of South 73°54'04" East and a length of 112.96 feet); thence North 32°56'08" East 238.39 feet; thence South 49°11'22" East 149.47 feet; thence South 18°21'30" East 256.81 feet; thence South 21°10'02" West 154.60 feet; thence South 43°11'21" West 91.05 feet; thence South 15°10'25" West 95.79 feet; thence South 09°42'09" East 212.43 feet to the south line of said Southwest Quarter; thence South 89°26'27" West along said south line 465.86 feet; thence North 00°00'00" East paral l with the west line of said Southwest Quarter 120.18 feet; thence South 89°26'27" West parallel with said south line 363.00 feet to the point of beginning, containing 8.628 acres, more or less; subject to highways, rights-of-way and easements.

EXHIBIT B-2

850100044

284-123, Phase IV
12-21-84, M. Bishop

CARDINAL COVE

PHASE IV

A part of the Southwest Quarter of the Southwest Quarter of Section 24, Township 17 North, Range 4 East, in Marion County, Indiana, more particularly described as follows:

Commencing at the northwest corner of said Quarter-Quarter Section; thence North 89°21'05" East along the north line of said Quarter-Quarter Section 907.06 feet to the point of beginning: thence North 89°21'05" East along said north line 442.07 feet to the northeast corner of said Quarter-Quarter Section; thence South 00°10'25" West along the east line of said Quarter-Quarter Section 356.88 feet; thence North 79°56'52" West 138.60 feet to a point on a curve concave Westerly having a central angle of 06°21'59" and a radius of 173.00 feet; thence Northerly along said curve an arc distance of 19.22 feet (said arc being subtended by a chord having a bearing of North 06°52'09" East and a length of 19.21 feet); thence North 86°18'50" West 171.43 feet; thence South 55°40'25" West 40.47 feet; thence South 34°19'34" East 119.48 feet to the point of curvature of a curve concave Westerly having a central angle of 27°27'51" and a radius of 200.00 feet; thence Southeasterly and Southerly along said curve an arc distance of 95.87 feet (said arc being subtended by a chord having a bearing of South 20°35'39" East and a length of 94.95 feet); thence South 83°08'17" West 50.00 feet; thence North 86°43'17" West 89.64 feet; thence South 61°58'17" West 131.98 feet; thence North 49°11'22" West 234.72 feet; thence North 40°48'37" East 117.01 feet; thence North 22°22'32" East 129.62 feet to a point on a curve concave Southerly having a central angle of 28°06'52" and a radius of 170.00 feet; thence Easterly and Southeasterly along said curve an arc distance of 83.42 feet (said arc being subtended by a chord having a bearing of South 69°00'21" East and a length of 82.58 feet); thence North 34°55'30" East 50.00 feet; thence North 00°38'55" West 197.61 feet to the point of beginning, containing 5.186 acres, more or less; subject to highways, rights-of-way and easements.

EXHIBIT B-3

850100044

84-123, Phase V
12-21-84, M. Bishop

CARDINAL COVE

PHASE V

A part of the Southwest Quarter of the Southwest Quarter of Section 24, Township 17 North, Range 4 East, in Marion County, Indiana, more particularly described as follows:

Commencing at the southwest corner of said Quarter-Quarter Section; thence North 89°26'27" East along the south line of said Southwest Quarter 788.86 feet to the point of beginning: thence North 09°42'09" West 212.43 feet; thence North 15°10'25" East 95.79 feet; thence North 43°11'21" East 91.05 feet; thence North 21°10'02" East 154.60 feet; thence North 81°47'48" East 32.72 feet; thence North 69°26'04" East 162.38 feet; thence North 20°33'56" West 35.91 feet to the point of curvature of a curve concave Easterly having a central angle of 26°55'51" and a radius of 140.00 feet; thence Northerly along said curve an arc distance of 65.80 feet (said arc being subtended by a chord having a bearing of North 07°06'00" West and a length of 65.20 feet) to the point of tangency of said curve; thence North 06°21'55" East 48.23 feet; thence South 83°38'05" East 244.96 feet to the east line of said Quarter-Quarter Section; thence South 00°01'25" West along said east line 688.13 feet to the southeast corner of said Quarter-Quarter Section; thence South 89°26'27" West along the south line of said Southwest Quarter 519.70 feet to the point of beginning, containing 7.109 acres, more or less; subject to highways, rights-of-way and easements.

EXHIBIT B-4

850100044

284-123, Phase VI
12-21-84, M. Bishop

CARDINAL COVE

PHASE VI

A part of the Southwest Quarter of the Southwest Quarter of Section 24, Township 17 North, Range 4 East, in Marion County, Indiana, more particularly described as follows:

Commencing at the southwest corner of said Quarter-Quarter Section; thence North 89°26'27" East along the south line of said Southwest Quarter 788.86 feet; thence North 09°42'09" West 212.43 feet; thence North 15°10'25" East 95.79 feet; thence North 43°11'21" East 91.05 feet; thence North 21°10'02" East 154.60 feet to the point of beginning: thence North 18°21'30" West 256.81 feet; thence North 61°58'17" East 131.98 feet; thence South 86°43'17" East 89.64 feet; thence North 83°08'17" East 50.00 feet to a point on a curve concave Westerly having a central angle of 27°27'51" and a radius of 200.00 feet; thence Northerly and Northwesterly along said curve an arc distance of 95.87 feet (said arc being subtended by a chord having a bearing of North 20°35'39" West and a length of 94.95 feet) to the point of tangency of said curve; thence North 34°19'34" West 119.48 feet; thence North 55°40'25" East 40.47 feet; thence South 86°18'50" East 171.43 feet to a point on a curve concave Westerly having a central angle of 06°21'59" and a radius of 173.00 feet; thence Southerly along said curve an arc distance of 19.22 feet (said arc being subtended by a chord having a bearing of South 06°52'09" West and a length of 19.21 feet); thence South 79°56'52" East 138.60 feet to the east line of said Quarte:-Quarter Section; thence South 00°01'25" West along said east line 281.89 feet; thence North 83°38'05" West 244.96 feet; thence South 06°21'55" West 48.23 feet to the point of curvature of a curve concave Easterly having a central angle of 26°55'51" and a radius of 140.00 feet; thence Southerly along said curve an arc distance of 65.80 feet (said arc being subtended by a chord having a bearing of South 07°06'00" East and a length of 65.20 feet) to the point of tangency of said curve; thence South 20°33'56" East 35.91 feet; thence South 69°26'04" West 162.38 feet; thence South 81°47'48" West 32.72 feet to the point of beginning, containing 3.185 acres, more or less; subject to highways, rights-of-way and easements.

EXHIBIT B-5

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