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JOHN R. VON ARX
AUDITOR

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SUBJECT TO FINAL ACCEPTANCE
FOR TRANSFER

Winding Ridge
Master Declaration

Covenants, Conditions and Restrictions
for The Winding Ridge Planned Community

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LAWRENCE TOWNSHIP
ASSESSOR

WINDING RIDGE MASTER DECLARATION

COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE WINDING RIDGE PLANNED COMMUNITY

and the By-laws for the
WINDING RIDGE HOMEOWNERS ASSOCIATION, INC.
An Indiana Non-Profit Corporation

This Declaration, hereinafter referred to as "the Declaration" or "this Declaration" is made by B.N. Thompson Development, Inc., which shall hereinafter be referred to as "Developer" or as "Declarant" and by Donald K. Steele, owner of portions of the real estate subjected to this Declaration. The real estate which is the subject of this Declaration is in Marion County, Indiana, and is more particularly described in "Exhibit 1" attached hereto and incorporated herein by reference (hereinafter referred to as the "Real Estate").

Declarant desires to provide for the preservation and enhancement of the value of property in the Winding Ridge community and its common areas, and, to this end, Declarant subjects the Real Estate to certain rights, privileges, covenants, restrictions, easements, assessments, charges and liens, as provided in this Declaration, for the benefit of the Winding Ridge Community and each owner of all or part thereof.

Declarant has caused, or will cause, to be incorporated under the laws of the State of Indiana a non-profit corporation under the name "The Winding Ridge Homeowners Association, Inc.", or a similar name (hereinafter sometimes referred to as the "Corporation" or the "Association"), which shall own, maintain and administer the common areas located within the Real Estate, administer and enforce the covenants and restrictions contained in this Declaration, collect and disburse the funds of the Association, and promote the best interests of the community on behalf of the owners of the Real Estate.

This document shall be commonly known as the Winding Ridge Master Declaration, and it shall establish the covenants and conditions for the entire Winding Ridge Community as well as the By-laws for the Winding Ridge Homeowners Association. Separate declarations may be recorded for one or more residential subdivisions, including declarations of horizontal property regime (HPRs) for condominiums, and Owners within each subdivision will also be members of the association developed for the subdivision.

Declarant hereby declares that the Real Estate, and any additional real estate which is hereafter made subject to this Declaration by supplemental declaration, is and shall be held, transferred, sold, encumbered, leased, used, improved and occupied subject to the provisions, covenants, restrictions, easements, assessments and liens hereinafter set forth, all of which are declared to be in furtherance of a plan for the 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 and Units situated therein.

NOTICE: Prior to application for an improvement location permit from the appropriate governmental agency for the construction of a residence or other structure, site plans, landscaping plans and building plans shall have been approved in writing by the Winding Ridge New Construction Committee as defined in Article X of this Declaration. Such approval shall include but not be limited to: building design, color and location, private drives, tree preservation, and proposed landscaping and fencing, all in accordance with the requirements of the Winding Ridge Design Guidelines.

DEPT. OF METROPOLITAN DEVELOPMENT
DATE 10-14-97
PER
ADMINISTRATOR

ARTICLE I
DECLARATION OF RESTRICTIONS AND STATEMENT OF PROPERTY RIGHTS, MEMBERSHIP, FUNCTIONS OF THE CORPORATION, DEFINITIONS

Section 1.1 Declaration. Declarant hereby expressly declares that the Real Estate shall be held, transferred and occupied subject to these Restrictions. The Owners of any Lot, Unit or Parcel which is subject to this Declaration, and all other Persons or Entities by acceptance of a deed from Declarant, or any successor owner of any Lot or any Unit or of any other Parcel, conveying title thereto, or the execution of a contract for the purchase thereof or any lease, whether from Declarant or a subsequent Owner of such Lot, Unit or Parcel shall conclusively be deemed to have accepted such deed, executed such contract or lease agreement and undertaken such occupancy subject to each restriction and agreement contained in this Declaration or in the Plat Covenants for the Real Estate. By acceptance of such deed, or execution of such contract, or undertaking such occupancy, each Owner and all other Persons acknowledge the rights and powers of Declarant, the Architectural Control Committee (hereinafter referred to as the "Committee") and of the Corporation with respect to these restrictions. Each Owner--for itself and its heirs, personal representatives, successors and assigns--covenants to the Declarant, the Architectural Control Committee, the Association, and the other Owners and subsequent Owners of each of the Lots and Units affected by these Restrictions, and agrees to keep, observe and comply with the terms and provisions of this Declaration.

Section 1.2 Property Rights. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Areas, subject to:

(a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the declaration recorded for any subdivision or condominium community in which the Lot or Unit is located;

(c) the right of the Declarant to establish Limited Common Areas benefitting certain individuals or subdivisions within the Community;

(d) the right of the Association to dedicate or transfer all or any part of the Common Area pursuant to this Declaration, including the right of the Declarant to deed a portion of the Real Estate to a non-profit corporation or foundation for environmental preservation purposes;

(e) the right of the Association to enter into contracts for the purchase of electric, natural gas or other utility services, committing all owners and occupiers of land or units within the Community to purchase electric power or natural gas or such other utility services from a specific company for a fixed period of time, within the guidelines and limitations of Article XII of this Declaration and as permitted by applicable law;

(f) easement rights in favor of the Association to extend storm sewers, sanitary sewers and other utilities across any of the common areas;

(g) the right of the Association to limit the number of guests who may use any recreational facilities within the Common Area, and to adopt rules regulating the use and enjoyment of the Common Area;

(h) the right of the Association to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Lot or Unit remains delinquent, and (ii) for a period in accordance with the rules and regulations promulgated by the Board of Directors of the Association for violations of the Declaration, By-Laws or rules of the Association, after notice and a hearing pursuant to the By-Laws herein;

(i) the right of the Association to impose reasonable and non-discriminatory membership requirements and charge reasonable and non-discriminatory admission or other fees for the use of any recreational facility situated upon the Common Area;
(j) the right of the association to charge fines for violations of the covenants in this Declaration or in the Plat Covenants or rules set by the Board; and
(k) the right of the Declarant to remove or withdraw portions of the real estate from this Declaration and from the Winding Ridge community pursuant to the provisions herein.

SECTION 1.3 Functions. The Corporation has been formed for the purpose of maintaining the value and appearance of the Winding Ridge community; providing for the maintenance, repair, replacement, administration, operation and ownership of the Common Areas; enactment, administration, and enforcement of rules and regulations for use of the lots, easements and common areas of the community; enforcement of Architectural Design and Environmental Control within the community and of the Covenants for the mutual benefit of all Owners; to pay taxes assessed against and payable with respect to the Common Areas; to pay any other necessary expenses and costs in connection with the Association; and to perform such other functions as may be designated under this Declaration.

SECTION 1.4 Membership in Corporation. Each Owner of a Lot or Unit shall, automatically upon becoming an Owner, be and become a Member of the Association and shall remain a Member until such time as such ownership ceases. Membership shall terminate when such Owner ceases to be an Owner and will be transferred to the new Owner of such Lot or Unit.

SECTION 1.5 Definitions. The definitions applicable to this Declaration are as follows:

A. "Architectural Control Committee" is a Standing Committee of the Winding Ridge Board having authority and responsibility for approving all exterior alterations, additions, improvements or changes to the exterior of any house or any lot, as further defined and specified in Article X of this Declaration.

B. "Articles" or "Articles of Incorporation" mean the Articles of Incorporation of the Winding Ridge Homeowners Association, Inc., as hereinafter defined.

C. "Common Area" means the ground designated as "Block" or as "Common Area" upon the Final Plat of each subdivision within the Winding Ridge Community, plus any streets which are not dedicated to the City of Indianapolis as public streets. The Common Areas of this Community shall be subject to easements for drainage and utilities, as further described and defined herein and in the Plat Covenants. Except where the context clearly indicates otherwise, the term Common Area shall be interpreted to include the Limited Common Areas. The golf course will not be or become a part of the common areas or a part of the Winding Ridge Community or any subdivision within the community.

Some Common Area within the individual subdivisions may be maintained by the Winding Ridge Homeowners Association and some Common Area may be maintained by the association for the subdivision. In the event that there is any confusion or ambiguity in the plats and other recorded documents regarding responsibility for maintenance and other common expenses, the Winding Ridge Homeowners Association shall decide the dispute.

D. "Common Expense" means expenses for administration of the Association, and expenses for the upkeep, maintenance, repair and replacement of the Common Areas, and all sums lawfully assessed against the Members of the Association. Common Expenses shall include, but not be limited to:

1) The costs of maintaining and\or replacing any common areas or structures, improvements or facilities within the common areas;
2) All expenses of purchasing, installing and maintaining the entryways to the community, including identification signs, lighting, plantings and landscaping;

3) All expenses of maintaining any security system within the Community, however, nothing in this Declaration shall require the Developer to install security gates or any other security system or, if security system is installed, to install any particular type or design thereof;
4) All expenses of repair and maintenance of any private streets within the Community;
5) All expenses of maintaining the medians in the public streets within the Community;
6) Expenses of maintaining the lakes and ponds within the community, and any fountain or water circulation system within any lake or pond, however, nothing in this Declaration shall require the Developer to install a fountain or water circulation system or, if a fountain or water circulation system is installed, to install any particular type or design;
7) Expenses of maintaining any walking trails within the community;
8) Lease payments for Community street and entryway lighting and maintenance expenses thereon;
9) All expenses of purchasing, installing and maintaining any playground equipment or other recreational amenities owned by the Association within the Common Areas, however, nothing in this Declaration shall require the Developer to install any playground equipment or other recreational amenities or, if recreational amenities are installed, to install any particular type or design of recreational amenities;
10) Snow removal, if the Board of Directors determines that the Association should privately contract for snow removal for the streets and common areas of the Community;
11) Trash removal, if the Board of Directors determines that trash removal should be coordinated and paid for as a community expense;
12) Spraying or treatment for insects, if the Board of Directors determines that the Association should provide this service;
13) Costs of enforcing the rules and regulations governing the Community, including this Master Declaration, the Plat Covenants, and rules and regulations established by the Association; and
14) Reasonable allowances for shortfall of funds arising from late payment or non-payment of assessments, for general overruns in budget categories, and for miscellaneous expenses not budgeted under any specific category.

E. "Community" means the Winding Ridge Community, as defined in Exhibit "1" and as demonstrated by the preliminary layout attached as Exhibit "2", as supplemented or altered as defined in this Declaration, and each residential subdivision created therein. It is intended that the Winding Ridge Community will consist of several distinct types of housing, which may be developed into separate subdivisions, each benefitting from shared common areas and amenities. Each subdivision within the Community will have its own Plat Covenants, and some subdivisions may also have a subdivision declaration, which will also regulate and control use of the property in that Subdivision.

F. "Condominium Unit" means one of the living units located within a subdivision of Winding Ridge that has been subjected to a Declaration of Horizontal Property Regime.

G. "Corporation" means the Winding Ridge Homeowners Association, Inc., its successors and assigns, a non-profit corporation, whose members shall be the Owners of Lots or Units in the Winding Ridge Community. The terms "Corporation" and "Association" may be used interchangeably to refer to the Winding Ridge Homeowners Association, Inc.

H. "Declarant" means R.N. Thompson Development, Inc., or its successors and assigns, as developer of the Winding Ridge community. The terms "Declarant" and "Developer" may be used interchangeably. R.N. Thompson

Development, Inc. is the contract purchaser of the real estate, and the Fee Owners of the real estate are hereafter defined.

I. "Fee Owner" means one or any combination of the owners of the real estate which is the subject of this Declaration, including the Declarant to the extent of the Declarant's ownership in the real estate.

J. "Golf Course" shall mean the golf course located within the geographical boundaries of the Winding Ridge Community. Notwithstanding any other provision herein or in any of the plats or plat covenants, the golf course shall be privately owned, shall not be subject to this Declaration, and shall not be a part of the common areas of this Community or of any subdivision within this community.

K. "Lake" or "Pond" shall mean a water retention pond, the primary purpose of which is to accommodate storm water from the Winding Ridge Community, the golf course, and surrounding property. The terms "lake" and "pond" may be used interchangeably herein. Use of any lake or pond shall be prohibited or limited as specified herein or as determined by the Winding Ridge Board.

L. "Lot" means each Lot of a recorded plat for the Winding Ridge community.

M. "Mortgagee" means the holder of a first mortgage lien on a Lot or a Unit.

N. "New Construction Committee" is a committee, or perhaps an individual, appointed by the Developer to review, and approve or reject, all construction plans, including, but not limited to, site plans, blueprints, specifications of materials, soil and natural landscaping preservation plans, landscape plans, and utility plans for all new construction within the Winding Ridge Community. After the completion of initial construction of a residence on each lot and the completion of all planned multi-unit structures within the Winding Ridge Community, the Developer may assign the New Construction review responsibilities to the Architectural Control Committee.

O. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, owning the fee simple title to a Lot or any Unit as defined herein.

P. "Plat Covenants" mean the plat covenants recorded for each subdivision within the Winding Ridge Community, or each section of a subdivision.

Q. "Subdivision Declaration" means a Declaration of Covenants, Conditions and Restrictions or a Declaration of Horizontal Property Regime recorded for one or more subdivisions within the Winding Ridge Community. Any Owner or other person who is within a subdivision having a declaration shall also be subject to the subdivision declaration in addition to this Declaration.

R. "Unit" means a condominium unit or another type of attached dwelling unit, intended for individual ownership.

ARTICLE II. OWNERSHIP AND USE OF THE COMMON AREAS

SECTION 2.1 **Ownership**. The Common Area shall be owned by the Corporation and shall be held for the use and enjoyment of the Members, which right shall pass with title to every Lot and with title to every Unit, subject to the provisions of this Declaration. The Developer may retain title to the Common Area until its sale of the last Lot or of the last Unit in the Winding Ridge Community, however the responsibility and expense of maintenance shall pass to the Association upon the sale of the first Lot or of the first Unit in the Community.

SECTION 2.2 **Limited Common Areas**. The Declarant shall have the right to create Limited Common Areas for the use and benefit of individual owners or subdivisions within the Winding Ridge Community, if Declarant determines, in

its sole discretion, that certain amenities or services should be available only to portions of the Community. In addition, the Declarant shall have the right to exclude certain portions of the Community, or certain owners or subdivisions, from both the benefit and the expense of certain amenities or services provided to the remainder of the community. Assessments for owners either benefitting from Limited Common Areas, amenities or services, or excluded from amenities or services, shall be adjusted to reflect the additional costs or savings from the Limited Common Area or added or excluded amenities or services.

SECTION 2.3 Easement for Utilities and Public and Quasi Public Vehicles. All public and quasi public vehicles including, but not limited to, police, fire and other emergency vehicles, public works, trash and garbage collection, post office vehicles and privately owned delivery vehicles shall have the right to enter upon the driveways and roadways of the Common Areas and the designated easements within the Community in the performance of their duties. All such easements for public and quasi public vehicles shall be subject to reasonable and non-discriminatory safety rules established by the Association.

An easement is also granted to all utilities and their employees and agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including but not limited to water, sewers, gas, telephone, electricity and cable television within the Community; provided, however, nothing herein shall permit the installation of sewers, electric lines, water lines or other utilities, except as initially designed and approved on the Plat or as thereafter may be approved by the Board of Directors. Both the Declarant and the Association shall have the authority, including a power of attorney coupled with an interest from each Owner within the Winding Ridge Community to grant additional utility easements, which may traverse the property, including property within the description of any Subdivision within Winding Ridge, except within the boundaries of any Lot sold to an Owner. Utilities and others using these easements shall be required to repair and correct any damage caused by their ingress, egress, inspection, installation, replacement, repairing and maintenance of utilities.

SECTION 2.4 Easement for Association. An easement is also granted to the Corporation, its officers, agents and employees and to any management company selected by the Corporation to enter in or to cross over the Common Areas, Limited Common Areas, and Easements to perform its duties.

SECTION 2.5 Water Retention Lakes and Ponds. One or more water retention areas which may be identified as a lake or which may not be shown but are located within a "Block", shall be a part of the Common Area of the Association. Such Retention Lakes shall be for the purpose of accepting and storing storm water and drainage from the Winding Ridge Community, the golf course, and surrounding areas. Neither the Declarant nor the Association shall be responsible for assuring or maintaining any minimum or maximum level of water in such areas. The Association, through its Board of Directors, shall be obligated to maintain the banks and the condition of the lakes and shall control access and recreational use thereof.

Since the primary purpose of the lakes and ponds is to accept and hold the storm water drainage of the entire Community, all expenses relating to the lakes and ponds shall be a common expense of the entire Association, divided as any other common expense, notwithstanding the fact that some owners may also benefit from the aesthetics or recreational use thereof.

The owner of the golf course shall have an easement to drain its storm water into the lakes and drainage system of the Winding Ridge Community to the extent approved by the Declarant, or after the Authority Transfer Date, as approved by the Board. However, commitments made by the Declarant prior to the Authority Transfer Date must be honored by the Association thereafter. Lakes which are owned by the golf course will be maintained by the golf course owner and will not be subject to the control or regulation of the Association.

SECTION 2.6 Non-Liability of Declarant. Declarant shall not have any liability to an Owner or to any other Person with respect to drainage on, over or under a Lot or for erosion of a Lot. Such drainage and erosion control shall be the responsibility of the Owner of the Lot and of the builder of a residence on such Lot. An Owner, by acceptance of a deed to a Lot, shall be deemed to agree to indemnify and hold Declarant harmless and free from and against any and all liability arising from, related to, or in connection with the erosion of or drainage on, over and under the Lot described in such deed. Declarant shall have no duties, obligations or liabilities hereunder except such as are expressly assumed by Declarant, and no duty of, or warranty by, Declarant shall be implied by or inferred from any term or provision of this Declaration.

ARTICLE III. CLASSES OF MEMBERSHIP

SECTION 3.1 Voting Rights. The Corporation shall have two (2) classes of membership. Class A members shall be all Owners of Lots or Units in the Winding Ridge Community other than the Declarant.

The Declarant shall be a Class B member for each Lot or Unit titled in its name or in the name of the fee owner and for each lot or unit planned within the Community. The Winding Ridge Community is presently zoned for a total maximum of 2,149 units, and this shall be the starting figure for units in the name of the Declarant. This figure shall be reduced by sales of lots or units by Declarant, property withdrawn from this Declaration, or the recording of plats having fewer than the maximum number of lots or units permitted by the zoning approved for this Community. In addition, any builder authorized by Declarant shall also be a Class B member of any lots or units owned by such builder.

SECTION 3.2 Class A Members. Each Class A Member shall be entitled to one (1) vote for each Lot or Residential Unit of which such Member is the Owner. When more than one person constitutes the Owner of a particular Lot or Unit, all such persons shall be Members of the Corporation, but all of such persons shall cumulatively have only one (1) vote for such Lot or Unit, which vote shall be exercised as they among themselves determine. No vote may be divided.

SECTION 3.3 Class B Member. The Class B Member shall have five (5) votes for each Lot or Dwelling Unit planned within Winding Ridge, designated on the preliminary layout attached as Exhibit "2", and any additions or revisions thereto prior to the Authority Transfer Date, of which it is the Owner.

Attached hereto as Exhibit "3" is a preliminary designation of votes attributable to the Declarant for each of the planned sections of the Winding Ridge Community, which may be amended by the Declarant at any time prior to the Authority Transfer Date by recording a Supplement to the Declaration, as further provided in Sections 20.1 and 20.2.

ARTICLE IV. INITIAL MANAGEMENT AND CONTROL BY DEVELOPER

SECTION 4.1 Definition of "Authority Transfer Date". Class B membership shall terminate and become converted to Class A membership (the "Authority Transfer Date"), upon the happening of the earliest of the following:

(a) when the total of all Class A votes exceed the total of all Class B votes; or
(b) January 31, 2020; or
(c) when, in its discretion, the Declarant so determines and provides sixty days notice to the members.

SECTION 4.2 Prior to the Authority Transfer Date. Prior to the Authority Transfer Date as defined above, the Declarant shall appoint all members to the Board of Directors of the Corporation and shall have full authority to establish rules and regulations for the Corporation and for the Community. Directors appointed by the Declarant shall serve at the will of the Declarant and shall be considered Owners of the Corporation only for the purpose of serving on the Board.

The Board of Directors, prior to the Authority Transfer Date, shall not be required to hold Meetings, and if Meetings are held, they shall not be required to be held in public, and notice to other Owners shall not be required. In addition, prior to the Authority Transfer Date, the Board of Directors shall not be required to seek owner approval of the budget or the annual assessments.

SECTION 4.3 Assessments. Prior to the Authority Transfer Date, the Declarant shall establish the amount and payment terms of Assessments. The Regular Assessments, including management fees and contributions towards the replacement reserve fund, shall not exceed Twenty five Dollars ($25.00) per month, per lot or per unit, in the first year after this Declaration is filed, with increases of not more than ten percent (10%) per year (cumulatively) thereafter. **HOWEVER, THIS LIMITATION IS ONLY FOR THE COMMUNITY ASSESSMENT AND SUBDIVISION ASSESSMENTS MAY ALSO BE IMPOSED.**

SECTION 4.4 Declarant's Obligation to Pay Assessments. Prior to the Authority Transfer Date, the Declarant shall not be obligated to pay any management fee, contribution towards the replacement reserve fund for the Corporation, or any assessment of any kind or nature, as further defined in Section 11.3.

SECTION 4.5 Builder's Obligations. The Declarant shall have the authority to require any person or company building a home on any Lot to escrow an amount up to five percent (5%) of the anticipated construction cost to assure proper completion of construction, regular and continual clean up of construction debris and the construction site, and periodic street cleaning of the Community. However, imposition of this escrow requirement and enforcement of these requirements shall be within the sole discretion of the Declarant, and no Owner shall have any rights against the Declarant or to require an escrow to be deposited or to require clean up by any builder.

SECTION 4.6 The Architectural Control Committee. Until thirty days after the Declarant has sold the last Lot or Unit in Winding Ridge as shown in Exhibits "1" and "2", and any additions to Winding Ridge as defined in Section 4.8, 20.1, and 20.2 hereof, the Declarant shall have the right to appoint all members of the Architectural Control Committee. However, the Declarant may elect, from time to time, to transfer authority of the architectural control committee to the owners (without also transferring authority for new home construction) prior to this time.

SECTION 4.7 Initial Management. Notwithstanding anything to the contrary contained in this Declaration, Declarant shall have the exclusive right to manage or designate a Managing Agent for the Real Estate and Common Areas and to perform all or any portion of the functions of the Corporation until the Authority Transfer Date. Declarant may, at its option, engage the services of a Managing Agent, including a Managing Agent affiliated with Declarant, to perform such functions and, in either case, Declarant or such Managing Agent shall be entitled to reasonable compensation for its services. Declarant's contract with the managing agent shall be for a term of not more than three years, providing for early cancellation by Declarant, without cause and without penalty, with not more than 60 days prior notice.

SECTION 4.8 Declarant's Authority to Add Additional Sections. The Declarant may, at any time prior to the Authority Transfer Date, supplement the property subject to this Declaration, with all or any portion of the real estate identified in Exhibit "2" pursuant to the provisions of Section 20.1, by filing an amended Exhibit "1", which additional

real estate shall automatically be subject to this Declaration and the Owners of Lots of such additional real estate shall automatically become members of the Association. In addition, as provided in more detail in Section 20.2, the Declarant may, at any time prior to the Authority Transfer Date, add additional real estate to the Winding Ridge community including additional lots or land for additional units or land for additional common area, so long as such real estate is contiguous to real estate identified in Exhibit "2" and so long as such real estate is, or will in the future, be contiguous to platted and developed real estate within the Winding Ridge community. In the event that additional real estate is added by Declarant, the votes attributable to the Lots in such new preliminary layouts or platted sections shall be counted for purposes of voting rights and for all other purposes from the date of the recording of the amended Exhibit "2", or the Plat for such additional Section.

SECTION 4.9 Developer and Builder Signs Within the Community. Notwithstanding any other provision regulating signs in this Declaration or in any Plat Covenants, the Declarant, and any builder with written authority from the Declarant, at any time before the sale of the last Lot or Unit within the Winding Ridge Community, may place identification, sales promotion and advertising signs in landscape easements, common areas, and on lots or parcels owned by Declarant or by said builders, of such size and quantity as Declarant, in its sole discretion, shall approve.

ARTICLE V. OWNERS MEETINGS

SECTION 5.1 Annual Meeting. The annual meeting of the Winding Ridge Owners shall be held at such other date and time as the Board of Directors shall determine, beginning on the first annual meeting date after the Authority Transfer Date, for the purpose of electing directors, approving an Annual Budget and Regular Assessment and for the transaction of such other business as may come before the meeting. Prior to the Authority Transfer Date, the Board of Directors shall not be required to hold annual or other meetings with the Owners.

SECTION 5.2 Special Meetings. Special meetings of the Owners may be called for any legal purpose by the President or by the Board of Directors, and, after the Authority Transfer Date, shall be called by the President at the request of at least Twenty percent (20%) of the Owners or One hundred (100) Owners, whichever is less.

SECTION 5.3 Place of Meeting. The Board of Directors shall designate the place of the meeting. The Board may designate that any meeting of Owners take place at any suitable location within five (5) miles of the Community.

SECTION 5.4 Notice of Meeting. Written notice, stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Owner not less than ten (10) days before the date of the meeting, either personally or by mail, by or at the direction of the President. Unless an Owner provides the Secretary of the Corporation with written instructions to the contrary, notice may be sent or delivered to the address of the Lot or Unit. Notice contained in a newsletter or other general correspondence shall meet the notice requirement of this section if it is sent or delivered to each Owner as provided herein.

SECTION 5.5 Quorum. Twenty percent (20%) of the Owners or One Hundred (100) Owners, whichever is less, represented in person or by proxy, shall constitute a quorum at a meeting of Owners. In the event that a quorum is not present, the meeting may be adjourned to another date and time, with or without further notice, or the meeting may be kept open until a quorum has been attained, as determined by the Board.

SECTION 5.6 Proxies. At all meetings of Owners, an Owner may vote in person or by written proxy, executed by the Owner or by a duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. Every proxy shall be specific for an Annual or Special Meeting of Owners, or its adjourned date, unless otherwise provided in the proxy.

SECTION 5.7 Voting. Each Lot or residential Unit shall be entitled to one vote upon each matter submitted to a vote at a meeting of Owners. For voting purposes, each Lot shall be considered to be a Unit, and each condominium unit or other attached residential Unit shall be considered to be a Unit.

SECTION 5.8 No Cumulative Voting. Cumulative voting shall not be permitted. Each Owner may only cast one vote per Lot or Unit for any candidate for any Office, even though multiple positions are open for such Office. However, voting shall be separated into subdivisions as described in Section 6.2.

SECTION 5.9 Voting by Mail-In Ballot. The Board may determine that one or more issues be voted upon by mail-in ballot, either in conjunction with an Annual or Special Meeting or as a substitute for the holding of a Meeting. In the event that the Board elects to permit mail-in ballots, ballots shall be mailed or delivered to each Owner at least 14 days prior to the deadline for voting and at least one third (1/3) of all Owners must vote in order for the vote to count. If a one third vote has not been achieved by the deadline, the Board of Directors or persons designated by the Board may contact additional Owners at their choosing until a one third vote has been achieved. However, if a one third vote has been achieved by the deadline, no votes received after the stated deadline may be counted.

SECTION 5.10 Qualification of Directors. 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 Unit may be represented on the Board of Directors by more than one person at a time and except that the Declarant may have multiple representatives serving on the Board of Directors.

ARTICLE VI. BOARD OF DIRECTORS

SECTION 6.1 General Powers. The business and affairs of the corporation shall be managed by its Board of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he or she is an Owner as defined herein.

SECTION 6.2 Number, Tenure and Qualifications. The initial number of directors of the corporation shall be three (3). The corporation may have not less than three directors. After the Authority Transfer Date, each director shall hold office until the next annual meeting of Owners and until his or her successor shall have been elected and qualified. Any increase or decrease in the number of Directors shall be approved by a majority of the Owners.

After the Authority Transfer Date, the Owners shall be allowed to elect directors to the Board according to the number of units or lots in each Subdivision, as follows:

0 - 10 units	= 0 representatives
11 - 150 units	= 1 representative
151 - 300 units	= 2 representatives
301 or more units	= 3 representatives

For purposes of Board representation, Subdivisions shall be defined as all Lots or Units operating under each named Subdivision, as amended from time to time. Owners in any Subdivision having ten or fewer units, or which are otherwise without representation, may petition the Board for inclusion into

another Subdivision or for independent or "at large" representation.

SECTION 6.3 Regular Meetings. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings to be held without notice, so long as the first such meeting is with notice, and all directors receive notice of the resolution.

SECTION 6.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the directors. The person calling the special meeting may fix the time for holding such meeting of the Board of Directors, and, unless consented to by all Directors, the special meeting shall be held within five miles of the Winding Ridge Community.

SECTION 6.5 Notice. Notice of any special meeting shall be given at least three days in advance by written notice delivered personally, by telegram or by other electronic means, or at least seven days in advance if notice is mailed. The attendance of a director at a meeting shall constitute a waiver of notice, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

SECTION 6.6 Quorum. A least one third (1/3) of the number of directors eligible to attend and vote shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

SECTION 6.7 Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The written consent of absent directors may be obtained and used to validate actions taken at a meeting where a quorum was not present or where an insufficient vote was obtained.

SECTION 6.8 Action Without A Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by at least two thirds of the Directors.

SECTION 6.9 Term of Office and Vacancy. Each member of the Board of Directors shall be elected for a term of three (3) years, which terms shall be staggered so that the terms of approximately one-third (1/3) of the members of the Board shall expire annually. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Unless a Director is removed by the Owners under Section 6.10, any vacancy occurring in the Board shall be filled by a vote of a majority of the remaining members of the Board, by a person representing the Subdivision for which the vacancy exists. The Director filling a vacancy shall serve until the next annual meeting of the Owners and until his successor is elected and qualified.

SECTION 6.10 Removal of Directors. A Director may be removed with or without cause by a majority vote of the Owners, at a meeting duly called for such purpose. In such case, his successor shall be elected at the same meeting, to serve until the next annual meeting.

SECTION 6.11 Duties of the Board of Directors. The Board of Directors shall be the governing body of the Association representing all of the Owners and being responsible for the functions and duties of the Corporation, including, but not limited to, the management, maintenance, repair, upkeep and replacement of the Common Area and the Limited Common Area and the collection and disbursement of the Common Expenses. The Board shall also maintain, through employees, contractors or agents, all landscaping easements throughout the Winding Ridge Community.

SECTION 6.12 Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish their duties. These powers include, but are not limited to, the power:

(a) to promulgate, adopt, revise, amend and alter from time to time such additional rules and regulations (in addition to those set forth in this Declaration) with respect to use, occupancy, operation and

enjoyment of the Common Area 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 or mailed to all Owners;

(b) to grant permits, licenses and easements over the Common Area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of Winding Ridge;

(c) to regulate any other properties which are subject to this Declaration; and

(d) to exercise all of the rights and powers of the Association.

SECTION 6.13 Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than $10,000.00, which sum shall be increased annually by the increase, if any, in the Consumer Price Index (CPI) or its successor index, without obtaining the prior approval of the Owners, except that in the following cases such approval shall not be necessary:

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

(b) contracts for expenditures included in the annual budget; and

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

SECTION 6.14 Compensation. No Director shall receive any compensation for services without the express approval of the Owners. The Managing Agent, if one is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.

SECTION 6.15 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, hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of actions or contracts by the Board on behalf of the Corporation, unless any such action or contract shall have been made in bad faith, or as the result of willful misconduct or gross negligence.

SECTION 6.16 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 attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as to matters in which it shall be adjudged in such action, suit or proceeding that such Director is liable for willful misconduct, bad faith or gross negligence in the performance of his or her duties. The Corporation shall also reimburse 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 willful misconduct, gross negligence or bad faith. 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 gross negligence or willful misconduct in the performance of his or her 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 or she failed or neglected to attend a meeting or meetings of the Board of Directors.

SECTION 6.17 Non-Liability of Officers and Committee Members. The provisions of Sections 6.15 and 6.16 shall also apply to Officers and Committee Members, including, without limitation, members of the Architectural Control Committee and the New Construction Committee.

SECTION 6.18 Professional Management. The Board of Directors shall employ a professional management company or agent to assist it in its responsibilities (herein called the "Managing Agent"). The Managing Agent shall perform such duties and responsibilities as the Board shall designate. The management agreement may be for a term of three (3) years or less and shall terminate upon not more than sixty (60) days written notice by either party.

SECTION 6.19 Bond. The Board of Directors shall provide blanket fidelity bonds for the Managing Agent, the treasurer of the Corporation, and such other officers or directors of the Corporation that handle or are responsible for funds, 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 (provided, however, in no event shall the aggregate amount of the bond be less than a sum equal to one fourth of the aggregate annual assessments on all Lots and Units) and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. Fidelity bonds shall name the Corporation as an obligee and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. Such bonds shall provide that they may not be cancelled or substantially modified for any reason without at least thirty (30) days prior written notice to the Board. The expense of any such bonds shall be a Common Expense.

ARTICLE VII. OFFICERS

SECTION 7.1 Number. The officers of the corporation shall be a President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. The corporation may also have one or more Vice Presidents. The President, Vice Presidents, Secretary and Treasurer shall all be members of the Board. Such other officers and assistant officers, who need not be Directors, may be elected or appointed by the Board of Directors.

SECTION 7.2 Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors, after the Authority Transfer Date, at the first meeting of the Board held after each annual meeting of the Owners. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor shall have been duly elected and qualified or until their death, resignation or removal as hereinafter provided.

SECTION 7.3 Removal. Any officer or agent may be removed by the Board of Directors whenever, in its judgment, the best interests of the corporation will be served thereby.

SECTION 7.4 President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and direct all of the business and affairs of the corporation. The President shall, when present, preside at all meetings of the Owners and of the Board of Directors. The President shall, in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 7.5 Vice President. Vice Presidents of the Corporation shall fulfill such duties as the Board of Directors or the President shall direct. A Vice President shall not serve in the capacity of the President, other than presiding at a duly called meeting at which the President is absent, unless the President so directs in writing.

SECTION 7.6 Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Owners and of the Board of Directors in the corporate minute book; (b) see that all notices are duly given in accordance with the provisions herein or as required by law; (c) be custodian of the corporate records; (d) keep a register of the post office address of each Owner, as furnished by the Owner and of each Mortgagee, as furnished by the Owner or Mortgagee; and (e) in general, perform all duties incident to the office of Secretary and such other duties as may be assigned by the President or by the Board of Directors.

SECTION 7.7 Treasurer. The Treasurer shall: (a) have charge and custody of, and be responsible for, all funds of the corporation; (b) receive and give receipts for monies due and payable to the corporation and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as are assigned by the President or by the Board of Directors.

SECTION 7.8 Delegation of Duties. The duties of the Secretary and the Treasurer and the ministerial functions of any other officer or committee member may be delegated to the Managing Agent of the Association, if any, so long as the responsible officer or committee member is regularly advised of the actions taken and generally supervises the actions taken by the Managing Agent on their behalf.

ARTICLE VIII. CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 8.1 Contracts. The Board of Directors may authorize any officer or officers, managing agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 8.2 Loans. No loans shall be contracted on behalf of the corporation and no indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 8.3 Checks, Drafts, Etc.. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 8.4 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time, in interest bearing or non-interest bearing accounts, to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select. Funds of the corporation may also be invested in government obligations or other commercial paper rated AAA or its equivalent. Funds deposits or investments shall not be committed for a period of more than one year.

ARTICLE IX. TAXES, MAINTENANCE OF COMMON AREAS, MAINTENANCE OF INDIVIDUAL LOTS

SECTION 9.1 Real Estate Taxes. Real estate taxes for individual lots

and parcels are to be separately assessed and taxed to each Lot or parcel, and paid by the title owner thereof. Any real estate taxes or other assessments which are separately assessed against the Common Area shall be paid by the Corporation and treated as a Common Expense. Any real estate taxes or other assessments which are separately assessed against any Limited Common Area shall be paid by the Corporation and treated as a Common Expense for the subdivision, lots or units benefitted by such limited common area.

SECTION 9.2 Maintenance, Repairs and Replacements to the Common Areas. Maintenance, repairs, replacements and upkeep of the Common Area shall be furnished by the Corporation, as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses. Maintenance, repairs, replacements and upkeep of any Limited Common Area shall be furnished by the Corporation (or, if a separate corporation is created for a subdivision solely or primarily benefitted by the Limited Common Area, by such subdivision corporation), as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses for the lots or units benefitted by such limited common area.

SECTION 9.3 Maintenance of Individual Lots and Units by the Owner. Except as otherwise provided in a subdivision declaration or plat covenants pertaining to a Lot or Unit, any repairs required to an Owner's residence shall be the Owner's responsibility and the Owner's expense. If any Owner shall fail to maintain and keep his property or any part thereof in a good, clean and sanitary condition, with an exterior appearance up to the general standards of the Winding Ridge community, the Corporation may perform any work necessary and charge the Owner thereof for such cost, which shall be immediately due, secured by the Corporation's lien on the Owner's property, and otherwise collectable as an assessment pursuant to Section 11.9 of this Declaration.

Each Owner, by his acceptance of a deed to any Lot, irrevocably grants to the Corporation, its agents and employees, the right to enter upon, across and over the Lot owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair or other work permitted herein.

SECTION 9.4 Damage to or Abuse of Common Areas and other Areas Maintained by the Association. If, due to the willful, intentional or negligent acts or omissions of an Owner, or of a member of the Owner's family, or of a guest, tenant, invitee or other occupant or visitor for whom the Owner is legally responsible, damage is caused to Common Areas, Limited Common Areas, or to portions of Lots or land maintained by the Association, or if additional maintenance or repairs are required as a result of such acts, the Owner shall be required to pay for such damage or additional expense. Upon demand by the Board, the cost of such repairs shall be immediately due and payable, secured by the Corporation's lien on the Owner's property, and otherwise collectable as an assessment pursuant to Section 11.9 of this Declaration.

SECTION 9.5 Security. The Association may, but shall not be obligated to, maintain or support certain activities within Winding Ridge designed to make the community safer than it otherwise might be. Neither the Association, the Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within Winding Ridge, however, and neither the Association, the Declarant, nor any Successor Declarant shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners and Occupants of any Lot or Unit, and tenants, guests and invitees of any Owner, as applicable, acknowledge that the Association and its Board of Directors, Declarant, or any Successor Declarant and the Committee do not represent or warrant that any security system will be installed or that any security system which is implemented or installed by the Declarant or the Board will be effective in any or all situations. All Owners and Occupants of any Lot or

Unit, and tenants, guests and invitees of any Owner hereby release the Declarant and the Board from any liability for security efforts or for failure to implement security in the Community.

ARTICLE X. ARCHITECTURAL CONTROL

SECTION 10.1 Purposes. The Architectural Control Committee (also referred to herein as the "Committee") shall regulate the external design, appearance, use and location of improvements on the Real Estate in such manner as to preserve and enhance values and to achieve and maintain a harmonious relationship of architectural design, structural and landscaping improvements, and the natural vegetation and topography.

SECTION 10.2 Architectural Control Guidelines. The Board of Directors shall have the authority to establish, amend and revoke Architectural Control Guidelines for the Community and the Association, which shall be binding upon all Owners and all others who in any way use, occupy or benefit from the Community, or any part thereof. The Architectural Control Guidelines shall not be inconsistent with any covenant in this Declaration or in the Plat Covenants and shall not be retroactively applied. There may be different Architectural Guidelines for different subdivisions within the Winding Ridge Community. The initial Architectural Control Guidelines, if attached hereto, are for convenience only and are not incorporated herein. The Architectural Control Guidelines may be enforced by the Architectural Control Committee or by the Board of Directors.

The Architectural Guidelines for each subdivision shall be established and amended by the Declarant, in its sole discretion, prior to the Authority Transfer Date. After the Authority Transfer Date, any amendments to the Architectural Guidelines shall be approved by majority vote of the Owners to be affected thereby at any meeting at which a quorum of such owners is present or by mail in vote, as provided in Article VI hereof. All affected owners shall receive notice of any amendments to the Architectural Guidelines within a reasonable time after their enactment.

SECTION 10.3 New Construction Committee. The New Construction Committee shall consist of one or more persons appointed by the Developer to review, and approve or reject, all plans for new construction of residences constructed on any Lot or any Unit, and any other structures, including, but not limited to, site plans, blueprints, specifications of materials, exterior colors, soil and natural landscaping preservation plans, landscape plans, and utility plans for all new construction within the Winding Ridge Community. The New Construction Committee shall have authority over any changes during initial construction of a new residence, prior to initial occupancy, and the Architectural Control Committee shall have authority over any changes after initial occupancy of the residence.

After the completion of initial construction of a residence on each lot and the construction of all Units planned within the Winding Ridge Community or at such earlier date as the Developer, in its sole discretion, shall determine, the Developer shall assign the New Construction review responsibilities to the Architectural Control Committee.

The New Construction Committee may, but shall not be required to, retain architects, contractors, and other construction and development planning experts, to assist it in performing its duties hereunder and the Committee may impose an application fee for new construction applications to defer the costs of retaining such experts.

SECTION 10.4 Architectural Design and Environmental Control. Subsequent to approval of new construction by the New Construction Committee and completion of new construction pursuant to the approval, no additional structure or improvement -- including but not limited to accessory structures, landscaping, fences, walls, mounds, ponds, pools, satellite dishes, antenna,

patios, basketball goals and other permanent structures for sports and recreation -- shall be erected, placed or altered on any Lot or parcel in this Community until the building plans, specifications and plot plan showing the location, materials, and appearance of the planned improvement, including the exterior colors, have been submitted to and approved by the Architectural Control Committee, regarding conformity and harmony of external design, topography, and finished ground elevations.

The destruction of trees and vegetation and any other such matter as may affect the environment and ecology of this Community must also be approved in advance by the Committee. Excepted from the architectural approval requirement shall be items of landscape maintenance such as pruning of trees and removal of dead trees and limbs by any person or entity having responsibility for such maintenance.

The Architectural Control Committee may, but shall not be required to, retain architects, contractors, and other construction and development planning experts, to assist it in performing its duties hereunder and the Committee may impose an application fee for architectural approval applications to defer the costs of retaining such experts.

SECTION 10.5 Composition of the Committee. The Committee will be composed of at least three members. All members of the Committee, including replacement members, will be appointed by and will serve at the will of the Declarant, until the first to occur of the following:

(a) Thirty days after the Developer has approved the initial home construction plans for the last Lot or Unit in Winding Ridge, as established in Exhibits "1" and "2", and any additions to the Winding Ridge Community as permitted in this Declaration; or

(b) Thirty days after Declarant notifies the Owners of its intention to transfer authority for Architectural Control to the Owners.

Within thirty days after the Declarant provides notice to the Owners to appoint Directors and take over control of the Committee, the Board of Directors of the Winding Ridge Homeowners Association, Inc. shall appoint three or more Owners to serve on the Committee.

UNTIL SUCH TIME, THE DECLARANT SHALL HAVE COMPLETE AUTHORITY AND CONTROL OVER ARCHITECTURAL AND ENVIRONMENTAL DESIGN. During the time that the Declarant has Architectural Control, a majority of the Committee members may designate one or more representatives to evaluate and approve specific applications, so that the Committee is not required to meet to review each application.

SECTION 10.6 Written Approval. The Committee's approval or disapproval of any properly submitted application shall be in writing. In the event that written approval is not sent by the Committee within thirty (30) days from the date of submission of a completed application and any additional documentation requested by the Committee, and so long as the request is not prohibited by the Architectural Control Guidelines then in effect, it shall be deemed that the Committee has approved the presented plan.

SECTION 10.7 Additional Approvals. Under no circumstances shall approval of the Architectural Control Committee be deemed to replace any required governmental approval or be deemed to constitute a representation or assurance by the Committee that the planned structure or improvement meets the requirements of any law, regulation or ordinance or meets any structural or safety requirement or standard.

SECTION 10.8 Alterations Without Approval. The Architectural Control Committee and/or the Board of Directors shall have the right and authority to require the removal of any improvement which has been made without receiving the approval of the Committee or which is substantially different in appearance, size, color, materials, location or otherwise, from what was approved by the Committee, including injunctive relief, and recovery of costs of removal, damages, reasonable attorney fees, and costs.

SECTION 10.9 Exercise of Discretion. Declarant intends that the members of the Architectural Control Committee exercise discretion in the performance of their duties consistent with the provisions of this Article, and every Owner, by the purchase of a Lot, shall be conclusively presumed to have consented to the exercise of discretion by such members. In a judicial proceeding challenging a determination by the Architectural Control Committee and in any action initiated to enforce this Declaration in which an abuse of discretion by the Architectural Control Committee is raised as a defense, abuse of discretion may be established only if a reasonable Person, weighing the evidence and drawing all inferences in favor of the Committee, could only conclude that such determination constituted an abuse in discretion.

SECTION 10.10 Miscellaneous Provisions.

A. The Committee's approval of, or failure to object to, a requested improvement for one Lot or Unit shall not prevent it from objecting to a similar improvement for another Lot or Unit in the Community, if it deems, in its sole discretion, that the requested improvement would be detrimental to the Community or the other Owners.

B. Neither the members of the Committee nor their designated representatives will be entitled to any compensation for services performed on behalf of the Committee.

C. After the Declarant has transferred authority for all Architectural Control to the Owners, a decision of the Architectural Review Committee may be appealed to the Board of Directors by the Applicant or by an adjoining Owner, which may reverse or modify such decision by a two-thirds (2/3) vote of the Directors then serving.

D. After the Declarant has transferred authority for all Architectural Control to the Owners, members of the Architectural Control Committee shall be appointed to serve a three year term and may serve up to three consecutive terms.

E. After the Declarant has transferred authority for all Architectural Control to the Owners, any member of the Architectural Control Committee may be removed by the Board of Directors with or without cause by a majority vote at a meeting duly called for such purpose. Prior to the date that the Declarant has transferred authority for all Architectural Control to the Owners, the Declarant may remove any member of the Architectural Control Committee with or without cause.

F. Members of the Architectural Control Committee may inspect work being performed to insure compliance with these Restrictions and applicable regulations.

G. After the Declarant has transferred authority for all Architectural Control to the Owners, and with the approval of the Declarant and a majority of all Community Owners, architectural control may be delegated to separate committees for each subdivision within the Winding Ridge Community, and each Subcommittee shall be appointed by the Winding Ridge Board of Directors, upon the recommendation of any subdivision board of directors, advisory committee or membership. Each Subcommittee shall operate within the rules and authority of this Section and Section 18.2.

ARTICLE XI. ASSESSMENTS

SECTION 11.1 Annual Accounting. A financial statement and annual report of the Corporation shall be prepared annually, after the close of each fiscal year and prior to the date of the next annual meeting, by a certified public accountant or CPA firm then servicing the Corporation, which shall show all income and receipts and all expenses incurred and paid during the preceding fiscal year. This financial statement and annual report shall be in the form of a compilation, prepared under the direction of the Board and distributed to each Owner prior to the next Annual Meeting. Any Owner or

group of Owners shall, at their sole expense, be entitled to an audited accounting by the certified public accountant or CPA firm then servicing the Association, by paying the Association for the cost of the audit (as estimated by the accountant and including a reasonable fee for the association's professional manager if one is employed) in advance of the start of the audit.

SECTION 11.2 Proposed Annual Budget After the Authority Transfer Date. The Board of Directors shall submit a proposed Annual Budget and Regular Assessment, estimating the total amount of the Common Expenses for the upcoming fiscal year, to each Owner in conjunction with the Association's annual meeting. Once an Annual Budget is adopted, it shall be the basis for the Regular Assessment for the upcoming fiscal year.

The Annual Budget may include an amount for the Replacement Reserve Fund for capital expenditures, and replacement and repair of the Common Areas.

An Annual Budget and Regular Assessment shall be approved and adopted at each Annual Meeting of the Owners. If the Owners have not approved an annual budget, whether or not due to failure or delay of the Board of Directors, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon up to one hundred and twenty five percent (125%) of such last approved budget, as a temporary budget.

The Annual Budget, the Regular Assessments, and all sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis.

SECTION 11.3 Proposed Annual Budget Prior to the Authority Transfer Date. Prior to the Authority Transfer Date, the Declarant shall establish the amount and payment terms of Assessments based upon the same items of expense and considerations as provided in Section 11.2 above, without the prior approval of the Owners. The Regular Assessments, including management fees and contributions towards the replacement reserve fund, shall not exceed Twenty five Dollars (25.00) per month, per lot or per unit, in the first year after this Declaration is filed, with increases of not more than ten percent (10%) per year (cumulatively) thereafter. HOWEVER, THIS LIMITATION IS ONLY FOR THE COMMUNITY ASSESSMENT AND SUBDIVISION ASSESSMENTS WILL ALSO BE IMPOSED.

Prior to the Authority Transfer Date, the direct costs related to unplatted ground within the Community will be paid by the Developer or other owner of the ground and will not be charged to the Association, and future or projected lots within unplatted ground will not be responsible for regular or special assessments. The Developer may include ground within the budget which the Developer believes will be platted within the upcoming year.

Prior to the Authority Transfer Date, the Declarant shall not be obligated to pay any management fee or contribution towards the replacement reserve fund for the Corporation, or any assessment of any kind or nature, however the Declarant will cover any shortfall in the Annual Budget for entryway maintenance, lawn care, landscaping, utilities, snow removal (if included in the budget), maintenance of security gates, lake maintenance, common area maintenance, and legal, accounting and management fees. Shortfall shall not be considered by category, rather it shall be considered only in the totality of the annual budget. Excluded from this guarantee are expenses of the individual subdivisions, obligations of any builder, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance operations, and purchases under Section 20.3 of this Declaration. This guarantee also does not prohibit the Declarant from using Association reserves for such expenditures or from imposing a Special Assessment for such expenditures. Prior to the Authority Transfer Date, neither the Declarant nor the Association shall be required to send a financial statement and annual report of the Corporation to each Owner, however the records of the Corporation shall be available for review by Owners during regular business hours, upon reasonable advanced notice.

At the time that Declarant transfers authority to the owners, Declarant shall have no liability for turning over any money to the Association,

provided that all funds collected from owners have been used for purposes permitted by this Article.

SECTION 11.4 Regular Assessments. The Annual Budget shall contain a proposed Regular Assessment against each Lot and Unit. The Regular Assessment shall be the same amount for each Lot and for each Unit, except for differences in limited common areas benefitting such Lot or Unit and any differences in the services to which a Lot or Unit is entitled. Following the adoption of the Annual Budget, each Owner shall be given written notice of the assessment (herein called the "Regular Assessment").

In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, following adoption of the final Annual Budget by the Owners which results in a different Regular Assessment, a revised statement shall be sent to each Owner indicating the additional amount owed or the credit for the next Regular Assessment.

The Regular Assessment against each Lot or Unit shall be paid to the Association in advance, in annual installments, or as otherwise determined by the Board. The Board may (but shall not be required to) allow payment of assessments monthly, quarterly, or semi-annually, in advance, including an additional fee covering the additional administrative expense.

The Regular Assessment for the current fiscal year shall become a lien on each Lot and Unit as of the first day of the Corporation's fiscal year, even though based upon a Temporary Budget. If an Owner has paid an assessment based upon a Temporary Budget, and conveys or transfers his Lot or Unit before the Annual Budget and Regular Assessment are determined, both the Owner and the successor Owner shall be jointly and severally liable for any balance owed for the Regular Assessment.

SECTION 11.5 Amenities Area. The Declarant shall have the right, but no obligation, to construct an amenities area, including, for example, playground equipment. The initial cost of construction of such amenities area would be borne by the Declarant, however the cost of operation, supervision, repair, on-going maintenance and replacement, as necessary, shall be a common expense of the Association or as a limited common expense charged to those owners benefitting from the use thereof.

SECTION 11.6 Special Assessments. Special Assessments may become necessary as a result of Common Expenses of an unusual or extraordinary nature or which were not otherwise anticipated, the failure of Owners to pay Regular Assessments, or for other reasons.

The Board of Directors, with approval of the Owners at any Regular or Special Meeting of the Owners or by mail-in ballot, shall have the right, power and authority to impose special assessments upon each Lot and upon each Unit in equal shares (herein called "Special Assessment"), which shall become a lien on each Lot and on each Unit. For Special Assessments attributable to Limited Common Areas or providing services only to a portion of the Community, the Special Assessment shall be approved by and imposed upon only such Owners.

Section 11.7 Initial Start-Up Fund. Upon the closing of the initial conveyance of each Lot or Unit to an Owner other than a Builder, the purchaser of such Lot or Unit shall pay to the Corporation, in addition to any other amounts then owed or due to the Corporation, as a contribution to its start-up fund, an amount equal to one-sixth (1/6th) of the then current annual Base Assessment against such Lot or Unit, which payment shall be non-refundable and shall not be considered as an advance payment of any Assessment or other charge owed the Corporation with respect to such Lot or Unit. In the event that the builder fails to collect the start-up funds from the purchaser, the builder shall be liable for payment of such funds.

The start-up fund shall be used by the Corporation for payment of, or reimbursement to, Declarant for advances to the Association and initial and set-up expenses of the Association. The entire Initial Start Up Fund will be paid to the Declarant and the Declarant shall not be required to account for its use thereof.

SECTION 11.8 Reserves. As a part of any Regular or Special Assessment, the Association may collect funds for a reserve for future expenses. These reserves may be collected for reasonably anticipated expenses plus a reasonable amount may be collected for unanticipated expenses. Reserve funds shall be accounted for separately by the Board, and may be used by the Board of Directors for any Common Expense for which it does not otherwise have funds and which are not designated for a specific purpose or expenditure.

SECTION 11.9 Failure of Owner to Pay Assessments. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. If any Owner shall fail, refuse or neglect to pay any Regular Assessment or Special Assessment when due, a late charge of ten percent (10%) of the unpaid assessment amount shall be added to the balance owed, plus interest of one and three fourths percent (1 3/4%) per month beginning thirty (30) days after the date due, and the following additional provisions shall apply:

(a) A lien for any and all unpaid assessments on the Owner's Lot or Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law;

(b) The Board may bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same;

(c) The Association may recover costs of collection (including fees charged by the managing agent) and attorney fees in addition to any other amounts due;

(d) Where the Owner constitutes more than one person, the liability of such persons shall be joint and several;

(e) The Owner, the lessee of any residential unit, and any adult occupant of a residential Lot or Unit shall be jointly and severally liable for the payment;

(f) The balance of installments for the current fiscal year shall become immediately due; and

(g) The Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot or Unit and to collect any rentals for the benefit of the Corporation to be applied to the unpaid Regular Assessments or Special Assessments.

SECTION 11.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot or Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer (prorated to the date of sale or transfer). No sale or transfer shall relieve such Lot or Unit from liability for any assessments thereafter becoming due or from the lien thereof nor relieve the unit owner from personal liability for any prior assessments.

SECTION 11.11 Subordination of Subdivision Liens. The lien of any subdivision within Winding Ridge shall be subordinate to any lien under this Master Declaration.

ARTICLE XII. UTILITY PURCHASING AGREEMENTS

SECTION 12.1 Definition of a Utility Purchasing Agreement. For purposes of this Declaration, a Utility Purchasing Agreement shall mean any contract with a utility company, including but not limited to a company which sells electricity or natural gas, or any company that provides telephone or other telecommunications services, for the purchase of such utility service or product on behalf of all present and future Owners, lessees and occupants within the Winding Ridge Community.

SECTION 12.2 Authority to Enter into a Utility Purchasing Agreement. The Declarant, prior to the Authority Transfer Date, or the Board of Directors of the Association, either prior to or after the Authority Transfer Date, may enter into a Utility Purchasing Agreement on behalf of all present and future Owners, lessees and occupants within the Winding Ridge Community, or any portion thereof, and for any other person or entity which may purchase or use utility services therein, for any one or more utility services and which Agreement shall bind all purchasers and users within this Community to purchase utility services exclusively from said company. Included within the authority of granted herein shall be the authority to negotiate a reduction, elimination or refund of installation fees in favor of the Developer, in exchange for a Utility Purchasing Agreement and the authority to amend any existing Agreement. Also included within the authority granted herein shall be the authority to cooperate or contract with other associations or residential or commercial groups in contracting for Utility Purchasing Agreements. Notwithstanding any provision in this Declaration, neither the Declarant nor the Association shall have any obligation to enter into any Utility Purchasing Agreement, and no successor Declarant or any other person or entity serving as a Developer within the Community shall have the authority to enter into any such Agreement without a specific designation of authority from the R.N. Thompson Development, Inc.

SECTION 12.3 Restrictions on Utility Purchasing Agreements. The Board of Directors may not enter into any Utility Purchasing Agreement unless such agreement is authorized by law. Current law does not permit Utility Purchasing Agreements. Further, the Board or the Declarant may decide not to enter into a Utility Purchasing Agreement if to do so would render the Board or the Declarant subject to regulation as a public utility.

Any Utility Purchasing Agreement shall be with a reputable and responsible company having the capacity to provide utility services in such volume or capacity as is reasonably required for the entire community, with appropriate reliability and dependability of service, and at competitive rates. Any such agreement shall be for a term of eight (8) years or less, but may include options in favor of the Association for additional years or terms. The Board or the Declarant may only enter into a Utility Purchasing Agreement if the rates under such contract are at or below the prevailing rate in Indianapolis for such utility services at the time of entering into the Agreement and that the establishment of such agreement shall not solely benefit the Declarant. Further, after the Authority Transfer Date, neither the members of the Board of Directors nor any other Owner shall benefit from any such contract in any manner different from the benefit received by all Owners.

ARTICLE XIII THE GOLF COURSE

SECTION 13.1 Ownership. The Developer presently intends to build a golf course and related facilities--which may, but shall not be required to, include a clubhouse, and various storage and maintenance buildings or facilities--within the Winding Ridge Community. Although not currently planned or anticipated, the Developer also reserves the right to amend the plans to include a driving or practice range. The golf course and any related facilities, and the real estate upon which the golf course has been constructed, shall remain private property and shall not be considered common area of the Association. Further, no owner or resident shall have any special rights or privileges related to the golf course, except as specifically granted by the golf course owner.

SECTION 13.2 Developer's Right to Change the Preliminary Plans. Although the preliminary drawings or plans for the golf course may show the location of the specific golf holes and related facilities, the Developer or a

subsequent golf course owner reserves the right to change the location of the course, any hole or combination of holes within the course, any tee, green or other portion of any hole or combination of holes, and any related facility, including but not limited to any clubhouse and any storage or maintenance building or facility serving the golf course, and no Owner, lessee or occupant shall have any claim or cause of action against the Developer, and Fee Owner, golf course owner, or builder resulting from such change or adjustment in the preliminary, projected, published or advertised plans. All such plans shall be considered to be for demonstration or illustrative purposes only and no person shall be deemed to acquire any property or contract rights resulting from such plans or to have any other claim of any kind or nature resulting from any change of plans related to the golf course.

SECTION 13.3 Golf Course Not a Part of the Community. Despite its location within the Winding Ridge community area, the golf course and its related facilities shall not be a part of the Winding Ridge Community and shall not be entitled to membership in the Association or entitled to vote, shall not be subject to any Association assessments or fees, shall not be subject to the Architectural Review requirements and shall not be subject to this Master Declaration (other than the provisions of this Article) or to any subdivision declaration.

SECTION 13.4 Irrevocable License. Every Lot, every Unit, and all of the common area within the Winding Ridge Community is hereby burdened with an irrevocable license allowing golf balls hit by any persons using the golf course to come over and on each such Lot or Unit. All persons legally using the privately owned golf course shall have an irrevocable license to come on each Lot, common area or limited common area of the community for the purpose of seeking and retrieving such golf balls during play; provided that golfers shall not have the right to use such license to come on any fully fenced Lot. The foregoing license shall not relieve golfers using the golf course of any liability they may have for property damage or personal injury resulting from the entry of golf balls or golfers on any Lot, but shall relieve the Declarant, the Fee Owner, the golf course owner and the Association from any liability for the negligence, intentional actions, or other tortious actions of any golfer. The Owners and occupants of each Lot, and invitees within the Community are subject to the risk of golf balls being hit onto a Lot, or onto a Common Area or public street and possibly causing damage to property or injury to persons.

SECTION 13.5 Additional Golf Course Easement. The golf course owner shall have the right and easement to utilize the storm water drainage system of the Winding Ridge Community, including storm water pipes, drains, swales, lakes and ponds, and shall not be required to contribute to the costs of maintenance thereof. However, the golf course owner shall not expand or substantially increase its storm water discharge into the storm water drainage system beyond the capacity of the system as originally engineered, and considering the storm water drainage requirements of the Winding Ridge Community.

SECTION 13.6 Waiver of Liability. The Declarant, the Fee Owner, the golf course owner, the Association, and any agents, servants, employees, directors, officers, affiliates, representatives, and successors of any such party shall not in any way be responsible for any claims, damages, losses, demands, liabilities, obligations, actions or causes of action whatsoever, including, without limitation, actions based on (a) any invasion of the Owner's use or enjoyment of the Lot or Unit, (b) improper design of the golf course, (c) the level of skill of any golfer (regardless of whether such golfer has the permission of the management to use the golf course), or (d) trespass by any golfer on any Lot, common areas or limited common areas, that result from property damage or personal injury from golf balls (regardless of number) hit on the Lot, common areas or limited common areas, littering or other property damage or personal injury caused by golfers or other persons

using the golf course either with or without permission, or from the exercise by any golfer of the easements granted hereby.

ARTICLE XIV MORTGAGEES

SECTION 14.1 **Notice to Corporation**. Any Mortgagee who places a first mortgage lien upon an Owner's Lot or Unit, or the Owner, may notify the Secretary of the Corporation thereof and provide the name and address of the Mortgagee. A record of such Mortgagee and its address shall be maintained by the Secretary. Any notice required to be given to the Mortgagee pursuant to the terms of this Declaration shall be deemed effectively given if mailed to such Mortgagee at such address. 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 shall be required, and no Mortgagee shall be entitled to vote on any matter to which it otherwise may be entitled by virtue of this Declaration, a proxy granted to such Mortgagee in connection with the mortgage, or otherwise. The Association may charge an additional assessment to any Owner whose Mortgagee requests notice, to cover the administrative costs of providing notices to the Mortgagee.

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 obligation of such borrower under this Declaration which is not cured within sixty (60) days.

SECTION 14.2 **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 or a Unit, 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 or Unit, 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 Article XI hereof.

SECTION 14.3 **Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums**. Mortgagees shall have the right, but not the obligation, (1) to pay any taxes or other charges against the Common Area which are in default and, (2) to pay any overdue premiums on hazard insurance for the Association or to secure new hazard insurance for the Association on the lapse of a policy. Any Mortgagee making such payment shall be immediately owed reimbursement by the Corporation.

SECTION 14.4 **Notice of Condemnation or Casualty Loss**. Mortgagees shall be timely notified of any condemnation loss which affects a material portion of the Winding Ridge Community or any Lot or Unit upon which the Mortgagee has an interest. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.

SECTION 14.5 **Notice to Insurers and Guarantors**. Any guarantor of a first mortgage or any insurer of a first mortgage shall, upon notification and request to the Corporation, receive the same notices as are required to be given to Mortgagees.

ARTICLE XV. INSURANCE

SECTION 15.1 **Casualty Insurance**. The Corporation shall purchase a casualty insurance policy affording fire and extended coverage, insuring the

Corporation's improvements within the Common Areas, Limited Common Areas and Easements for the full replacement value of the improvements. If the Board of Directors can obtain such coverage for reasonable amounts, they shall also obtain "all risk" coverage. Such policy shall (to the extent obtainable) contain provisions that the insurer waives its right to subrogation against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests.

Each Owner shall otherwise be solely responsible for loss or damage to his Lot, the improvements on his Lot, the contents of his Unit, however caused, and his personal property stored elsewhere on the Real Estate. The Corporation shall have no liability to any Owner for loss or damage to a Lot or Unit, the improvements on a Lot, the contents of any Unit, or an Owner's personal property stored elsewhere within the Community. Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk, however, condominium buildings may be insured, in full or in part, by the condominium association for such unit. In no event will the Winding Ridge Homeowners Association or the Declarant maintain insurance on any privately owned residence or structure and neither the Association nor the Declarant shall have any liability to any Owner for loss or damage to a Lot, any improvement on a Lot, or to any Unit or the contents of any residence, building, unit or other personal property of any Owner.

SECTION 15.2 Public Liability Insurance. The Corporation shall also purchase a comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time, but not less than Two Million Dollars ($2,000,000), arising out of a single occurrence, for bodily injury or death and for property damage. Such policy shall cover the Corporation, the Board of Directors, any committee or division of the Corporation or Board, any Managing Agent, and all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Community. 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.

SECTION 15.3 Other Insurance. The Corporation shall obtain any other insurance required by law and may purchase such other insurance as the Board of Directors from time to time deems 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 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 15.4 General Provisions. The premiums for all insurance hereinabove described shall be paid by the Corporation as part of the Common Expenses. If available, the policies shall contain an endorsement that it shall not be terminated or substantially modified without at least ten days prior written notice to Mortgagees and to the Corporation. Written notice of any insurance obtained by the Corporation and of any subsequent changes or termination thereof shall be promptly furnished by the Board to each Owner or mortgagee whose interest may be affected thereby. Except as otherwise provided in this Article, notice required under this section shall be sufficient if it is published as a part of a general newsletter and mailed or delivered within sixty days.

The Board of Directors shall be responsible for reviewing, at least every two years, the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above.

All proceeds payable as a result of casualty losses sustained which are covered by insurance owned by the Association shall be paid to the Association, as the insurance trustee for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Board of Directors, in accordance with the provisions of this Declaration. Each Owner

shall be deemed to have delegated to the Board of Directors his or her right to adjust with the insurance companies all losses under the policies purchased by the Corporation.

SECTION 15.5 Insurance by Owners. Each Owner shall have the right to purchase such additional insurance at his own expense as he may deem necessary.

ARTICLE XVI. LOSS TO COMMON AREAS

SECTION 16.1 Restoration of Common Area. In the event of damage to or destruction of any portions of the Common Area, Limited Common Area or Easements due to fire or any other casualty or disaster, the Corporation shall, except as otherwise provided in this Section, 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, and the balance shall be paid first from the reserve account and second, as a Common Expense.

For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the Common Area to as near as possible the same condition as it existed immediately prior to the damage or destruction and with the same type of architecture.

The Board of Directors may elect not to repair or reconstruct the Common Area and may apply the proceeds of insurance to other purposes consistent with this Declaration and with the Articles of Incorporation of the Association where the Board of Directors determines that the common areas or improvements which have been damaged or destroyed are not used and useful to the Community or to the portions of the Community for which such common areas or improvements were intended to serve or where the common areas or improvements which have been damaged or destroyed can not be economically restored with the funds available both from the insurance proceeds and from other funds reasonably available to the Association for such purpose.

ARTICLE XVII. COVENANTS AND RESTRICTIONS

SECTION 17.1 The following covenants and restrictions on the use and enjoyment of the Lots, Units and Common Area shall be in addition to any other covenants or restrictions contained herein and in the Plat Covenants, 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 of the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall be entitled to damages and reasonable attorney fees 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. No Owner shall permit anything to be done or kept in his Unit or on his Lot or on any of the Common Area which will result in a cancellation of insurance or increase in insurance to the Association or to any other Owner, 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 on any Lot, in any Unit, or elsewhere in the Community. The Board of Directors' determination as to what is a nuisance shall be conclusive.

D. No Owner shall cause or permit anything to be hung or displayed on

the outside of the windows of his Unit or placed 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 building without the prior consent of the Architectural Review Committee.

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 Area, 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 the Association shall not be liable for any injury or damage to persons or property, including the Common Area, caused by any pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time, including, without limitation, a restriction on the number of pets, the prohibition of particular species or breeds, and the prohibition of pets in particular areas of the Community. 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 Community within ten (10) days after written notice from the Board.

F. The Lots and the Common Area shall be kept free and clear of rubbish, debris and other unsightly materials. No Owner or guest of an Owner, nor any builder, contractor or subcontractor, shall litter or dispose of trash improperly anywhere within the Community.

G. No Dwelling Unit or Lot or any portion of the Common Area shall be used in any unlawful manner or in any manner which might cause injury to the reputation of the Community, or which might be a nuisance, annoyance, inconvenience or damage to other Owners and occupants. Without limiting the generality of the foregoing, this Covenant shall include excessive noise from the use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers or other equipment, machines or vehicles, loud voices, excessive amounts of light, vibration, or unpleasant odors.

H. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed on, or so as to be visible from, any street or any part of the Common Areas or from neighboring properties.

I. No garage sale, moving sale, rummage sale or similar activity and no trade or business may be conducted in or from any Lot, except with the prior approval of the Board. The Board may establish rules generally permitting such sales, or permitting such sales on a limited basis.

J. No water wells shall be drilled on any of the Lots, without prior approval of the Board, nor shall any septic tanks or other sewage disposal systems be installed on any of the Lots, without the approval of the Board and of the governing public health agency or other civil authority.

K. No person shall draw water or other materials from the lakes or other water retention ponds or add water, except for storm water drainage approved by the Declarant or by the Committee, or other materials, whether by dumping or otherwise, to the lakes and other water retention ponds without the prior approval of the Board as to quality and quantity of materials.

L. There shall be no docks on the lakes and no boating or swimming. Fishing may be permitted for owners of property adjoining a lake, however no owner or other person may trespass on the property of another or on the property of the golf course in order to fish and no person may fish from a public right of way, such as a street.

M. The Board may prohibit or limit parking on the streets of residential subdivisions within the Community.

L. No industry, trade, or other commercial or religious activity, educational or otherwise, whether designed for profit, altruism or otherwise, shall be conducted, practiced or permitted upon any Lot or elsewhere within the Community, except within such rules and regulations as are established by

the Board, and except that an Owner or occupant resident may conduct business activities within a Dwelling Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling Unit; (b) the business activity conforms to all zoning requirements for the Real Estate; (c) the business activity does not involve persons coming onto the Real Estate who do not reside on the Real Estate or involve door-to-door solicitation of residents of the Real Estate; and (d) the business activity is consistent with the residential character of the Real Estate and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Real Estate, as may be determined in the sole discretion of the Board.

M. No "for sale", "for rent", "garage sale" or other signs for any purpose shall be placed upon any common area or upon any Lot other than the Lot which is for sale, for rent or upon which the garage sale will be held, without the express consent of the Board. Any "for sale", "for rent", "garage sale" or other yard signs, whether placed on any lot or with the Board's consent placed in the common areas, shall be limited in size to what is commonly used in the residential real estate community, as determined by rules established by the Board. No more than one sign may be placed on any Lot, without the prior consent of the Board. No banners or signs shall be hung from any home or elsewhere on any Lot for more than one week, without the prior consent of the Board.

N. 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 Area 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 Area or the Limited Common Area.

O. No Lot may be used for growing crops, except within the size and location guidelines established by the Board. The Board shall have the right and authority to prohibit the growing of crops entirely.

P. An Owner shall not permit the growth of weeds and volunteer trees and bushes on his Lot, and shall keep his Lot reasonably clear from such unsightly growth at all times. If an Owner fails to comply with this Restriction, the Board of Directors shall cause the weeds to be cut and the Lot cleared of such growth at the expense of the Owner thereof and the Corporation shall have a lien against the cleared Lot for the expense thereof.

Q. The Common Areas shall be used and enjoyed only for the purposes for which it is designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board.

R. No Owner may rent or lease his Dwelling Unit for transient or hotel purposes or for any purpose for a period of less than six months without the prior approval of the Board.

S. Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease, for a period of at least six months, which shall provide that the lease is subject to the provisions of this Declaration and any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease.

T. No improvement which has partially or totally been destroyed by fire or otherwise shall be allowed to remain in such state for more than three (3) months from the time of such destruction or damage, without approval from the Committee. Also, any improvement or addition to an existing structure shall be completed within three months from the time of commencement, except with the approval of the Committee.

SECTION 17.2 Fines for Violation of Covenants. The Board of Directors may assess a fine or penalty, not exceeding fifty dollars ($50) per incident, against any Owner violating the Covenants and Restrictions in this Declaration or in the Plat Covenants or any rule established by the Board. A continuing violation may be assessed an additional fine, not exceeding fifty dollars each

week until corrected, at the discretion of the Board. Any such fine will be considered to be a special assessment against the Owner and the Owner's Lot or Unit, and collectable as provided in Section 11.9.

ARTICLE XVIII. PROVISIONS RELATING TO SUBDIVISIONS WITHIN WINDING RIDGE

SECTION 18.1 General Provisions. One or more separate declarations may be filed for the residential subdivisions within Winding Ridge. All owners of lots or units, lessees, and occupants within such subdivisions will be subject to the terms and provisions of the plat covenants and declaration for the subdivision, in addition to the terms and provisions of this Declaration for the Community. Also, each owner will required to be a member of the subdivision homeowners association in addition to being a member of this Association.

SECTION 18.2 Architectural Control. Until such time as the Declarant transfers control of the Architectural Control Committee to the owners, there shall only be one Architectural Control Committee for the Community. After control of the Architectural Control Committee has passed to the Owners, and with the approval of the Declarant and a majority of all Community Owners, architectural control may be delegated to separate committees for each subdivision within the Winding Ridge Community. If so, each Subcommittee shall be appointed by the Winding Ridge Board of Directors, upon the recommendation of any Subdivision board of directors. Each Subcommittee shall operate within the rules and authority of Article X of this Master Declaration, however authority to enact Architectural Design Guidelines shall remain with the Winding Ridge Architectural Control Committee. If, for any reason, a Subdivision Architectural Control Committee would disband or cease to exist, architectural control shall revert to the Winding Ridge Architectural Control Committee under the terms and provisions of this Declaration. At no time should any owner be required to seek Architectural Approval from both an Architectural Control Subcommittee and from the Architectural Control Committee.

SECTION 18.3 Subdivision Plat Covenants and Declarations. No Plat Covenants or Declarations shall be filed for any Subdivision within the Winding Ridge Community by any person or entity other than the Declarant until the Plat Covenants or Declaration, as the case may be, have been approved in writing by the Declarant, and any such attempted recording shall be invalid.

SECTION 18.4 Subdivision Declarations. In order to promote uniformity between this Master Declaration and the various subdivision declarations, the subdivision declarations may incorporate by reference Articles or Sections of this Declaration without re-stating all provisions therein.

ARTICLE XIX. AMENDMENT OF DECLARATION

SECTION 19.1 General Amendments. 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 by 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 herein.

D. Adoption. Any proposed amendment to Articles 5, 6, 7, 8 and 17 of this Declaration must be approved by a vote of not less than fifty percent (50%) in the aggregate of the votes of all Owners. Any proposed amendment to any other portion of this Declaration must be approved by a vote of not less than seventy percent (70%) in the aggregate of the votes of all Owners. There shall be no amendment or modification to Article 13 without the written approval of the owner of the golf course. 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.

SECTION 19.2 Special Amendments. No amendment to this Declaration shall be adopted which changes: (a) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same; or (2) the provisions of this Declaration with respect to casualty insurance or fidelity bonds to be maintained by the Corporation; or (3) the provisions of this Declaration with respect to reconstruction or repair of the Common Area in the event of fire or any other casualty or disaster; or (4) the provisions of this Declaration establishing the Architectural Review Committee and providing for its functions; or (5) the provisions of this Declaration with respect to the commencement of assessments on any Lot, without, in each and any of such circumstances, the approval of at least seventy percent (70%) of all Owners and at least seventy percent (70%) of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

SECTION 19.3 Amendments by Declarant Only. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, 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 add or delete land or lots from the Community, (d) to bring this Declaration into compliance with any statutory requirements, (e) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (f) to bring the provisions relating to Utility Purchasing Agreements into compliance with any federal, state or local law, regulation or policy. 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 Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, 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 Paragraph shall terminate at such time as the Declarant no longer holds or controls title to any part or portion of the Real Estate.

SECTION 19.4 Amendment Prior to the Applicable Date. Notwithstanding anything to the contrary contained herein or in the Declaration, there shall be no amendment of the Declaration prior to the Applicable Date without the consent and approval of Declarant.

SECTION 19.5 Recording. Each amendment to the Declaration shall be executed by any two officers of the Corporation 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 19.6 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request to approve an amendment and fails to give a negative response within thirty (30) days after receiving such request shall be deemed to have approved such request.

ARTICLE XX. MISCELLANEOUS PROVISIONS

SECTION 20.1 Annexation or Deletion Without Approval of Class "A" Membership. Declarant shall have the unilateral right, privilege, and option, from time-to-time at any time until all property described on Exhibit "2" has been subjected to this Declaration or January 31, 2020, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association, all or any portion of the real property described in Exhibit "2", attached hereto. Such annexation shall be accomplished by filing in the public records of Marion County, Indiana, a Supplemental Declaration annexing such property.

Declarant shall have the unilateral right to transfer to any other person the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be an affiliate of the Declarant or the developer of at least a portion of the real property described in Exhibits "1" or "2" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Declarant shall also have the unilateral right, privilege, and option, from time-to-time at any time until all property described on Exhibit "2" has been subjected to this Declaration or January 31, 2020, whichever is earlier, to remove portions of the Real Estate from this Master Declaration and from the Winding Ridge Community by filing a Supplemental Declaration identifying the portions of the Real Estate to be deleted. No portion of the Real Estate which has been platted or subjected to a Supplemental Declaration specifically incorporating this Declaration may be deleted from this Master Declaration or from the Winding Ridge Community and no portion of the Real Estate which is required for ingress or egress to and from the platted portions of the Community may be deleted without easements protecting the rights of Owners established in this Declaration.

A Supplemental Declaration shall not require the consent of Voting Members, but shall require the consent of the Owner of such property, if other than Declarant. Any such annexation or deletion shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

SECTION 20.2 Amendment to Exhibit "2". The Declarant may, prior to the Authority Transfer Date, record an amended Exhibit "2", which will permit Declarant to add real estate to the Winding Ridge community in addition to the real estate presently described in Exhibit "2", including additional lots or land for additional units or land for additional common area, so long as such real estate is contiguous to real estate identified in the present Exhibit "2" and so long as such real estate is, or will in the future, be contiguous to platted and developed real estate within the Winding Ridge community. Declarant may enlarge the legal description of Exhibit "2" by filing a Supplemental Declaration which includes a revised or expanded Exhibit "2" at any time prior to the Authority Transfer Date.

SECTION 20.3 Limitation on Time to Build or Rebuild. Any party other than the Declarant who secures title to a Lot or parcel in this Community agrees to commence construction of the intended residence or other development

upon the Lot or parcel within one year of the date of purchase and complete construction of the residence or other development within one year from the date construction commences on said Lot or parcel. Extensions of these requirements may be granted in the sole discretion of the Declarant.

Failure to honor this condition shall establish an Option to Purchase said Lot and improvements thereon for cash at an appraised price as hereinafter detailed exercisable by written notice from the Declarant to the owners of said Lot within sixty (60) days of expiration of the initial or extended period.

The appraised price shall be agreed upon within ten (10) days of the Lot owner's receipt of the above written notice and if agreement is not reached within such time, the Lot owner and the Declarant agree to submit the question of appraised value to a professional appraiser and be bound by same.

Each party shall select an appraiser and the two appraisers shall select a third, and this third appraiser shall proceed to determine the value of the lot and improvements. Both parties agree to name their respective appraiser within fifteen (15) days of the date of the aforesaid written notice. The appraisal shall be made within twenty-five (25) days of the date of the aforesaid written notice and the appraiser shall make his report in writing and furnish a copy thereof to each of the parties within five (5) days thereafter. The appraiser shall consider, in making his or her appraisal, the cost of completing construction according to the plans and the ordinary and usual costs of sale. Each party shall pay one-half of the cost of this appraisal and shall be conclusively bound by the appraisers' determination.

In the event of any loss to a residence or accessory structure within this Community, unless the Owner obtains approval from the Architectural Control Committee for an extension of time or permission not to rebuild, the Owner shall begin to rebuild within six months of the loss and shall complete the rebuilding within nine months of the loss. Failure to rebuild within these time allowances, or any time allowances extended by the Committee, shall give either the Declarant, the Association, or the applicable Subdivision Association the option to purchase outlined in this Section.

SECTION 20.4 Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of any Lot or Unit shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that such provisions are accepted and agreed to by such Owner, tenant or occupant. All such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest in a Lot or any portion of the Real Estate as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons or other legal entities who may occupy, use, enjoy or control a Lot or any part of the Real Estate shall be subject to the Declaration, the Articles of Incorporation, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

SECTION 20.5 Association's Right to Purchase. The Association shall have the right to purchase Lots or Units, either from the Declarant or from any Builder, Owner, or foreclosure, sheriff's or tax sale. The Association may use reserve funds, regular budget funds, or a special assessment in order to do so.

SECTION 20.6 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 or lessees. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Lot or of the Common Area.

SECTION 20.7 Costs and Attorney's Fees. In any proceeding arising because of failure of an Owner to make any payments required or to comply with any provision of this Declaration, the Articles of Incorporation, or the rules and regulations adopted pursuant thereto as each may be amended from time to time, the Association shall be entitled to recover its reasonable attorney's fees incurred in connection with such default or failure.

SECTION 20.8 Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses, whether by Regular Assessment or by Special Assessment, by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Lot.

SECTION 20.9 Severability Clause. The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles of Incorporation, or the Rules and Regulations adopted by the Board, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles of Incorporation, or the Rules and Regulations, and each shall be enforced to the greatest extent permitted by law.

SECTION 20.10 Resolution of Disputes. Any dispute arising hereunder regarding the allocation of the budget requirements or assessments among owners or the by-laws and operation of the Association shall first be submitted, under the Indiana Rules for Alternative Dispute Resolution, for mediation and if mediation is not successful within thirty days of the request of any party for mediation, then the dispute shall be submitted for binding arbitration. A mediator or arbitrator agreeable to the parties does not have to be an attorney.

SECTION 20.11 Interpretation. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires to the contrary, be deemed to refer to and include all genders. The singular shall include and refer to the plural and vice versa as appropriate. The captions and titles of the various articles and sections of this 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.

If a conflict exists between the covenants contained in the Plat and those of this Declaration, the covenants in the Plat shall prevail. However, to the extent that there is not a direct conflict, both the provisions of the Plat Covenants and the provisions of this Declaration shall apply.

If a conflict exists between the covenants contained in this Declaration and the covenants in an applicable subdivision declaration, the covenants in this Declaration shall prevail. However, to the extent that there is not a direct conflict, both the provisions of this Declaration and the provisions of the subdivision declaration shall apply.

IN WITNESS WHEREOF, the undersigned Declarant has caused this Declaration to be executed this 5th day of September, 1997.

R.N. THOMPSON DEVELOPMENT, INC.

R. N. Thompson, President

STATE OF INDIANA)
) ss:
COUNTY OF MARION)

BEFORE ME, the undersigned, a Notary Public, and for said County and State, Personally appeared R.N. Thompson, President of R.N. Thompson Development, Inc., an Indiana Corporation, Declarant herein, and acknowledged the execution of this Declaration this 5TH day of June, 1997.

Notary Public

David M. Compton
Printed Name

NOTARY PUBLIC DAVID M COMPTON INDIANA

My Commission expires June 14, 2001

My County of residence HAMILTON

IN WITNESS WHEREOF, the undersigned, as the Owner portions of the above described real estate, as hereunto caused his name to be subscribed this 5TH day of SEPTEMBER, 1997.

Donald K. Steele

STATE OF INDIANA)
) ss:
COUNTY OF MARION)

BEFORE ME, the undersigned, a Notary Public, and for said County and State, Personally appeared R.N. Thompson, President of R.N. Thompson Development, Inc., an Indiana Corporation, Declarant herein, and acknowledged the execution of this Declaration this 5TH day of SEPTEMBER, 1997.

Notary Public

LINDA L. JACKSON
Printed Name

My Commission expires JULY 9, 2000

My County of residence BOONE

This Instrument was prepared by William T. Rosenbaum, Attorney at Law, 1901 Broad Ripple Avenue, Indianapolis, Indiana 46220 (317-259-6600.

(September 4, 1997)

Exhibits:
"1" Legal Description of the Winding Ridge Community
"2" Preliminary Layout of the Winding Ridge Community
"3" Legal Description of any real estate which may be annexed into the Winding Ridge Community
"4" Number of Votes

Exhibits:

"1" Legal Description of the initial Winding Ridge Community
"2" Preliminary Layout of the Winding Ridge Community
"3" Number of Votes Initially Assigned to the Developer

FIRST AMERICAN

LAND DESCRIPTION

Part of Section 10, Township 16 North, Range 5 East of the Second Principal Meridian, Lawrence Township, Marion County, Indiana and described as follows:

Beginning at the West Quarter corner of said Section 10;
thence North 00 degrees 39 minutes 50 seconds West (bearings are based on the Indiana State Plane Coordinate System, East Zone (NAD 83)) along the West line of the Northwest Quarter of said Section 10 a distance of 2671.37 feet to the Northwest corner of said Section 10;
thence North 88 degrees 32 minutes 43 seconds East along the North line of said Northwest Quarter a distance of 2668.07 feet to the North Quarter corner of said Section 10;
thence North 89 degrees 17 minutes 46 seconds East along the North line of the Northeast Quarter of said Section 10 a distance of 2657.49 feet to the Northeast corner of said Section 10;
thence South 00 degrees 21 minutes 31 seconds East along the East line of said Northeast Quarter a distance of 1004.87 feet to the Northeast corner of a tract of land conveyed to George and Joan Davis, and described by Inst. No. 87-92193 as recorded in the Office of the Marion County Recorder;
thence South 89 degrees 05 minutes 56 seconds West along the North line of said Davis tract and parallel with the South line of the Northeast Quarter of said Northeast Quarter a distance of 400.00 feet;
thence South 00 degrees 21 minutes 31 seconds East parallel with the East line of said Northeast Quarter a distance of 165.01 feet to the Southerly line of said Davis tract;
thence North 89 degrees 05 minutes 56 seconds East along the South line of said Davis tract and parallel with the South line of said quarter quarter section a distance of 400.00 feet to the East line of said Northeast Quarter and being also the Southeast corner of said Davis tract;
thence South 00 degrees 21 minutes 31 seconds East along the East line of said Northeast Quarter a distance of 214.99 feet to the Northeast corner of a tract of a tract of land conveyed to Michael and Christine Davis, and described by Inst. No. 94-91237 as recorded in the Office of the Marion County Recorder, the following two (2) calls being along the Northerly and Westerly sides of said Davis tract;
thence South 89 degrees 14 minutes 22 seconds West 290.40 feet;
thence South 00 degrees 21 minutes 31 seconds East parallel with the east line of said Northeast Quarter a distance of 300.00 feet to the Southwest corner of a tract of land conveyed to Michael and Shirley Berry, and described by Inst. No. 89-108881 as recorded in the Office of the Marion County Recorder;
thence North 89 degrees 14 minutes 22 seconds East along the South line of said Berry tract a distance of 290.40 feet to the East line of said Northeast Quarter;
thence South 00 degrees 21 minutes 31 seconds East along said East line 196.70 feet to the Northeast corner of a tract of land conveyed to Carol L. Staehler,

Exhibit "1"

and described by Inst. No. 93-128909 as recorded in the Office of the Marion County Recorder, the following three (3) calls being along the Northerly, Westerly and Southerly sides of said Staehler tract;
thence South 89 degrees 38 minutes 29 seconds West 170.00 feet;
thence South 00 degrees 21 minutes 31 seconds East parallel with the East line of said Northeast Quarter a distance of 227.70 feet;
thence North 89 degrees 38 minutes 29 seconds East 20.00 feet to the Northwest corner of a tract of land conveyed to Marie Teresa Meece, and described by Inst. No. 93-58100 as recorded in the Office of the Marion County Recorder;
thence South 00 degrees 21 minutes 31 seconds East parallel with the East line of said Northeast Quarter and also along the West line of said Meece a distance of 125.00 feet to the Northerly line of a tract of land conveyec to David and Carmen Temple, and described by Inst. No. 88-101105 as recorded in the Office of the Marion County Recorder, the following two (2) calls being along the North and West sides of said Temple tract;
thence South 89 degrees 38 minutes 29 seconds West 15.00 feet;
thence South 00 degrees 21 minutes 31 seconds East parallel with the East line of said Northeast Quarter a distance of 125.00 feet;
thence South 89 degrees 38 minutes 29 seconds West 127.50 feet;
thence South 00 degrees 21 minutes 31 seconds East parallel with the East line of said Northeast Quarter a distance of 314.28 feet to the South line of said Northeast Quarter;
thence North 88 degrees 54 minutes 04 seconds East along said South line 292.52 feet to the East Quarter corner of said Section 10;
thence South 00 degrees 21 minutes 34 seconds East along the East line of the Southeast Quarter of said Section 10 a distance of 2667.34 feet to the Southeast corner of said Section 10;
thence South 88 degrees 44 minutes 32 seconds West along the South line of said Southeast Quarater a distance of 2651.29 feet to the South Quarter corner of said Section 10;
thence South 89 degrees 08 minutes 42 seconds West 924.00 feet to the Southwest corner of a tract of land conveyed to The Indiana National Bank, Trustee under agreement with Priscilla M. Smith Wendt, and described by Inst. No. 87-91387 as recorded in the Office of the Marion County Recorder;
thence North 00 degrees 25 minutes 39 seconds West along the West line of said Wendt tract a distance of 1475.61 feet to the Northwest corner thereof and being also on the Southely line of a tract of land conveyed to Marion Hall, and described by Inst. No. 90-59185 as recorded in the Office of the Marion County Recorder;
thence South 88 degrees 38 minutes 13 seconds West along the South line of said Hall tract a distance of 1731.50 feet to the West line of the Southwest Quarter of said Section 10, said point also being the Northwest corner of a tract of land conveyed to Chris and Linda Jamison, and described by Inst. No. 77-2005 as recorded in the Office of the Marion County Recorder;
thence North 00 degrees 29 minutes 47 seconds West along the West line of said Southwest Quarter a distance of 455.62 feet to the Southwest corner of a tract

Exhibit "1"

of land conveyed to Jeffery and Tracy Kerns, and described by Inst. No. 94-66235 as recorded in the Office of the Marion County Recorder, the following three (3) calls being along the Southerly, Easterly and Northerly sides of said Kerns tract;
thence North 89 degrees 00 minutes 15 seconds East 607.32 feet;
thence North 00 degrees 29 minutes 47 seconds West 110.00 feet;
thence South 89 degrees 00 minutes 15 seconds West 607.32 feet to the West line of said Southwest Quarter;
thence North 00 degrees 29 minutes 47 seconds West along said West line 647.46 feet to the point of beginning and containing 585.186 acres more or less.

EXCEPTING therefrom a part of the Northwest Quarter of Section 10, Township 16 North, Range 5 East of the Second Principal Meridian, Lawrence Township, Marion County, Indiana and described as follows:

Commencing at the Southwest corner of said Northwest Quarter;
thence North 00 degrees 39 minutes 50 seconds West (bearings are based on the Indiana State Plane Coordinate System, East Zone (NAD 83)) along the West line of said Northwest Quarter a distance of 991.80 feet to the POINT OF BEGINNING;
thence North 89 degrees 20 minutes 10 seconds East, perpendicular to said West line 620.00 feet;
thence North 00 degrees 39 minutes 50 seconds West parallel with said West line 400.00 feet;
thence South 89 degrees 20 minutes 10 seconds West perpendicular to said West line 620.00 feet to the West line of said Northwest Quarter;
thence South 00 degrees 39 minutes 50 seconds East along said West line 400.00 feet to the point of beginning and containing 5.693 acres more or less.

ALSO EXCEPTING therefrom part of the Northwest Quarter of Section 10, Township 16 North, Range 5 East of the Second Principal Meridian, Lawrence Township, Marion County, Indiana and described as follows:

Commencing at the Northwest corner of said Northwest Quarter;
thence South 00 degrees 39 minutes 50 seconds East (bearings are based on the Indiana State Plane Coordinate System, East Zone (NAD 83)) along the West line of said Northwest Quarter a distance of 579.57 feet to the POINT OF BEGINNING;
thence North 89 degrees 20 minutes 10 seconds East, perpendicular to said West line 200.00 feet;
thence South 00 degrees 39 minutes 50 seconds East parallel with said West line 265.00 feet;
thence South 89 degrees 20 minutes 10 seconds West perpendicular to said West line 200.00 feet to the West line of said Northwest Quarter;
thence North 00 degrees 39 minutes 50 seconds West along said West line 265.00 feet to the point of beginning and containing 1.217 acres more or less.

Exhibit "1"

ALSO EXCEPTING therefrom part of the Southeast Quarter of Section 10, Township 16 North, Range 5 East of the Second Principal Meridian, Lawrence Township, Marion County, Indiana and described as follows:

Commencing at the Southwest corner of said Southeast Quarter;
thence North 88 degrees 44 minutes 32 seconds East (bearings are based on the Indiana State Plane Coordinate System, East Zone (NAD 83)) along the South line of said Southeast Quarter a distance of 650.94 feet to the POINT OF BEGINNING;
thence North 01 degrees 15 minutes 28 seconds West perpendicular to said South line 300.00 feet;
thence North 88 degrees 44 minutes 32 seconds East parallel with said South line 363.00 feet;
thence South 01 degrees 15 minutes 28 seconds East perpendicular to said South line 300.00 feet to the South line of said Southeast Quarter;
thence South 88 degrees 44 minutes 32 seconds West along said South line 363.00 feet to the point of beginning and containing 2.500 acres more or less.

The above described property having a total net acreage of 575.776 acres more or less.

Subject to the right of way for German Church Road, 56th Street, County Line Road (now known as Carroll Road), 46th Street, an Electric Transmission Line Easement in favor of Indianapolis Power and Light Company and to all other legal easements and rights of way of record.

FIRST AMERICAN

Exhibit "1"

Exhibit "2"

Winding Ridge – A Master Planned Community

City of Lawrence, Marion County, Indiana

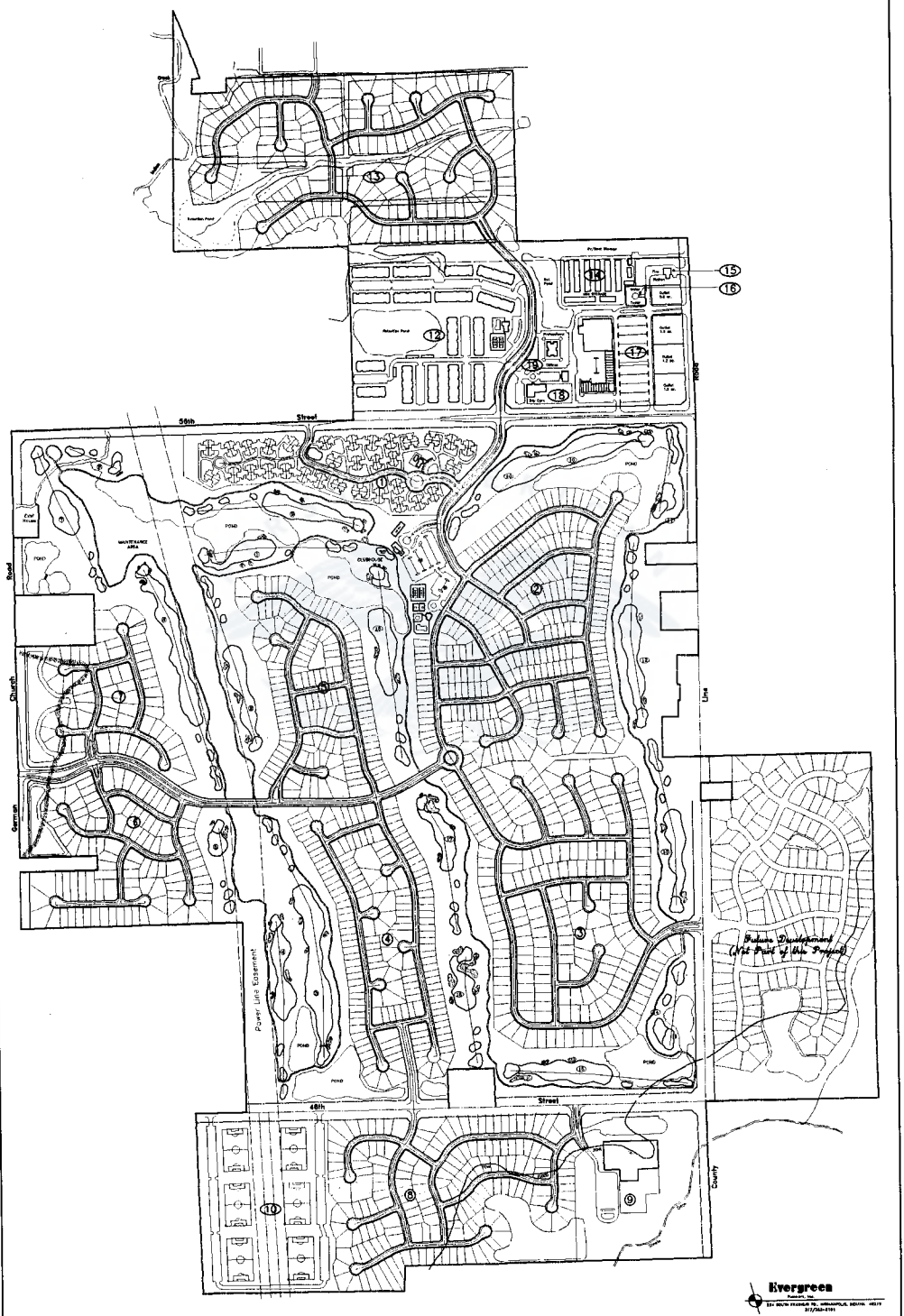

Exhibit 3 to
Master Declaration

WINDING RIDGE COMMUNITY
Maximum Single Family Residential Lots

	Acreage	Use	Total Potential Lots
Parcel No. 1	26	MLR	130
2	62	MLR	310
3	67	LLR	217
4	39	MLR	195
5	32	MLR	160
6	36	MLR	180
7	29	LLR	94
8	57	MLR	285
9	30	MLR	150
10	33	MLR	165
13	81	LLR	263

TOTAL LOTS 2,149
x 5 votes per lot

TOTAL INITIAL DEVELOPER VOTES 10,745

LAND DESCRIPTION
WINDING RIDGE

Part of the South of Section 3, part of Section 10 and part of the North Half of Section 15, all in Township 16 North, range 5 East of the Second Principal Meridian, Lawrence Township, Marion County, Indiana and described as follows:

Beginning at the Northwest corner of said Section 10;
thence East along the North line of said Section 10 a distance of 2640 feet to the West line of the Southeast Quarter of above said Section 3;
thence North along said West line a distance of 1320 feet to the Northwest corner of the South Half of said Southeast Quarter;
thence West along the North line of said South Half a distance of 1300 feet to the Southwest corner of the Oaklandon Church property;
thence North along the Westerly line of said Oaklandon Church 1930 feet to the Southerly right of way for State Road 37 (known as Pendleton Pike);
thence in a Southeasterly direction along the Westerly line of a tract of land conveyed to Richard Ash a distance of 660 feet more or less to the North line of the South Half of said Section 3, said point being on the North line of a tract of land conveyed to Kenneth Arnold, the following four (4) calls being along the North, West, South and East sides of said Arnold tract;
thence West 70 feet;
thence South 110 feet;
thence East 235 feet;
thence North 70 feet to the North line of said South Half;
thence East along said North line 2250 feet to the Northeast corner of the Northwest Quarter of the Southeast Quarter of said Section 3;
thence South along the East lien of the Northwest Quarter of said Southeast Quarter a distance of 1320 feet to the Southeast corner of said Northwest Quarter;
thence East along the North line of the South Half of said Southeast Quarter 1320 feet to the East line of said Southeast Quarter;
thence South along said East line 1320 feet to the Southeast corner of Section 3, also being the Northeast corner of above said Section 10;
thence South along the East line of said Section 10 a distance of 1004.89 feet to the Northeast corner of a tract of land conveyed to Joan Davis;
thence West along the North line of Davis 400.00 feet;
thence South parallel with the East line of said Section 10 a distance of 165.00 feet;
thence East along the South line of Davis 400.00 feet to the East line of said Section 10;
thence South along said East line 214.99 feet to the Northeast corner of a tract of land conveyed to Michael and Christine Davis by Inst. No. 94-91237 as recorded in the Office of the Marion County Recorder;

Exhibit "3"

thence West parallel with the South line of the Northeast Quarter of said Section 10 a distance of 290.40 feet;
thence South parallel with the East line of said Northeast Quarter a distance of 300.00 feet to the Southwest corner of a tract of land conveyed to Michael and Shirley Berry by Inst. No. 89-108881 as recorded in the Office of the Marion County Recorder;
thence East parallel with the South line of said Northeast Quarter a distance of 290.40 feet to the East line of said Northeast Quarter;
thence South along the East line of said Northeast Quarter a distance of 196.62 feet to the Northeast corner of a tract of land conveyed to Carol L. Staehler;
thence West along the North line of Staehler 165 feet;
thence South along the West line of Staehler 226 feet to the Southwest corner of said Staehler tract;
thence East along the South line of Staehler 15 feet to the Northwest corner of a tract conveyed to Marie Teresa Meece;
thence South along the West line of said Meece tract 125.00 feet;
thence West 15 feet to the Northwest corner of a tract of land conveyed to David and Carmen Temple by Inst. No. 88-10105 as recorded in the Office of the Marion County Recorder;
thence South along the West line of Temple 125.00 feet;
thence West 127.5 feet to the Northwest corner of a tract of land conveyed to Woodrow W. Furgason;
thence South along the West line of Furgason 314.72 feet to the South line of the Northeast Quarter of said Section 10;
thence East along said South line 292.5 feet to the Southeast corner of said Northeast Quarter;
thence South along the East line of the Southeast Quarter of said Section 10 a distance of 2667.34 feet to the Southeast corner thereof, also being the Northeast corner of above said Section 15;
thence South along the East line of Section 15 a distance of 1248.25 feet;
thence West parallel with the North line of Section 15 a distance of 2392.50 feet;
thence South 00 degrees 12 minutes 58 seconds East 467.79 feet;
thence North 89 degrees 32 minutes 14 seconds West 1573.54 feet to the West line of the East Half of the Northwest Quarter of said Section 15;
thence North 00 degrees 12 minutes 58 seconds West along said West line 1701.57 feet to the Northwest corner of the East Half of said Northwest Quarter;
thence East along the North line of said Northwest Quarter a distance of 396 feet to the Southwest corner of a tract of land conveyed to Priscilla Wendt by Inst. No. 87-91387 as recorded in the Office of the Marion County Recorder;
thence North along the West line of said Wendt tract 1460.25 feet;
thence West 1716 feet to the West line of the Southwest Quarter of Section 10;
thence North along said West line 404.80 feet;
thence East 607.30 feet;
thence North 110.00 feet;

Exhibit "3"

thence West 607.30 feet to the West line of said Southwest Quarter;
thence North along said West line 647.46 feet to the West Quarter Corner of said Section 10;
thence North along the West line of said Section 10 a distance of 990.00 feet;
thence perpendicular to said West line 620 feet;
thence North parallel with said West line 400 feet;
thence West perpendicular to the last described line 620 feet to the West line of said Section 10;
thence North along said West line 450 feet;
thence perpendicular to said West line 200 feet;
thence North parallel with said West line 250 feet more or less to the centerline of Indian Creek;
thence Westerly along said centerline 200 feet more or less to the West line of said Section 10;
thence North along said West line 582 feet to the point of beginning and containing 857 acres more or less.

Subject to all legal easements and rights of way of record.

FIRST AMERICAN

Exhibit "3"

(25)

JOHN R. VON ARX
AUDITOR

CONDOMINIUM DECLARATION

152475 NOV 11 98

THIS DECLARATION (the "Declaration"), made this 4th day of August, 1998 by Ansel W. Schmalhausen and Norma L. Schmalhausen (the "Declarant"),

SUBJECT TO FINAL ACCEPTANCE FOR TRANSFER

WITNESSETH:

A. Declarant is the sole owner of the fee simple title to the parcel of real estate in Marion County, Indiana, identified in Exhibit "A", attached hereto and made a part hereof, and which is designated therein as the "Condominium Property".

B. Declarant, by the execution of this Declaration hereby creates a condominium upon the Condominium Property subject to the provisions of the Indiana Horizontal Property Law, IC 32-1-6-1 et seq., as amended from time to time, hereinafter called the "Act", and the terms and conditions of this Declaration. Condominium, as used herein, shall have the same meaning as Horizontal Property Regime as used in the Act.

C. This Condominium shall be referred to as The Villas at Winding Ridge Horizontal Property Regime and/or The Villas at Winding Ridge Condominium.

ARTICLE I

DESCRIPTIONS AND ESTABLISHMENT OF FREEHOLD ESTATES

Section 1.1. Description. Condominium Units ("Units") are hereby established on the Condominium Property as shown on the Plans for the Condominium. Each Unit is designated by an arabic numeral beginning with Unit 1. The legal description of each Unit shall use that Unit number shown on the Plans and shall be stated as "Condominium Unit ___ (using the Unit number) in The Villas at Winding Ridge Horizontal Property Regime". The Plans for the Condominium (the "Plans") consist of the following: A legal description of the Condominium Property, a Site Plan showing the layout, location, and identification numbers of all of the Units in the Condominium, a Boundary Exhibit describing the Adjacent Property which may be annexed to the Condominium as provided in Article XI below, and Floor Plans and Elevations of each of the Units and proposed Units are included with such Plans. Such Plans are being recorded concurrently herewith in the office of the Recorder of Marion County, Indiana, as Instrument No. 1998-0194807, and such Plans are incorporated herein by reference.

Section 1.2. Establishment of Freehold Estates. Each separately numbered Unit is hereby established as a separate freehold estate, and each such Unit shall hereinafter be referred to as a "Unit". As used herein, Unit shall mean a "condominium unit" as defined under the Act.

Section 1.3. Boundaries of Units. The boundaries of each Unit shall be as shown on the Plans, without regard to the existing construction, measured between the interior unfinished surface of the floors, ceilings and perimeter walls of each Unit. In the event any horizontal or vertical boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or ceiling surface of the Unit because of construction, or for any other reasons, the boundary lines of each Unit shall be deemed to be and shall be treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction and/or condition. In such case permanent easements for his exclusive use shall exist in favor of the Owner of each Unit ("Unit Owner") in and to such space lying outside of the actual boundary line of the Unit but within the appropriate wall, floor or ceiling surfaces of the Unit. Any apparatus, ducts, conduits, lines, mains, wires, or other items which extend beyond the boundaries of a Unit,

11/11/98 10:44AM JOAN N. ROMERIL MARION CTY RECORDER SRG 59.00 PAGES: 25
Inst # 1998-0194808

DEPT. OF METROPOLITAN DEVELOPMENT
DATE 11-10-98
PER
ADMINISTRATOR

FILED
OCT 28 1998
LAWRENCE TOWNSHIP ASSESSOR

but which serve solely that Unit, shall be deemed a part of the Unit and appurtenant thereto, and title thereto and the responsibility for maintenance thereof, shall pass with the Unit.

Interior walls and layouts of Units as shown on the Plans are for reference only to planned or existing interior improvements, and such walls and layouts are not warranted by the Declarant to be accurate. Any Unit Owner may make changes within his or her Unit subject only to the restrictions in this Declaration which apply thereto.

Section 1.4. Common Areas. The remainder of the improvements and the land subjected to this Declaration shall be "Common Areas" which term shall include all "Common Areas and Facilities" as those terms are used in the Act. The Common Areas shall include all real and personal property owned by the Association, and any and all real or personal property leased by the Association. Common Areas shall include all land and all areas outside of the buildings, including, but not limited to, all utility systems, and common pipes, conduits, wiring, yards, gardens, driveways, parking areas, sidewalks, drainage systems and other areas not contained within a unit. The structural elements of buildings containing Units, roofs, perimeter walls and all other parts of the buildings not within a Unit are part of the Common Areas.

The Common Areas, other than any Limited Common Areas as defined in Section 1.7 herein, subject to any Rules and Regulations adopted by the Association, shall be available to all the Unit Owners, and shall include but not be limited to, walks and driveways, landscaping, the parking areas, all pipes, wires, ducts, conduits, utility lines and other facilities which serve more than one Unit or any common area. The Association shall have an easement thereto, and it shall have the right, at reasonable times and at any time in case of emergency, to enter into any Unit and to the extent necessary to enter or go into any walls, floors, or ceilings of a Unit to get to any such pipes, wires, conduits and utility lines, or to any other Common Areas. The Association shall repair any damage done to any Unit as a result of an exercise of this right.

Section 1.5. Ownership of Common Areas and Percentage Interest. Each Unit Owner shall have an undivided interest in the Common Areas ("Percentage Interest") as tenants in common with all other Unit Owners equal to the percentage by which one (1) bears to the total number of Units in the Condominium from time to time, which interest shall include the right to use the Common Areas subject to any rules and regulations governing such use as may be adopted by the Declarant or the Association. The Percentage Interest of each Unit prior to any amendments of the Declaration is .78%.

Section 1.6. Appurtenances to Each Unit. The Owner of each Unit shall own the following rights in the Condominium which are appurtenant to and belong to his Unit, including, but not limited to, those items listed below some of which may be appurtenant to several "Units". No such appurtenance may be severed from the Unit and such appurtenance shall pass with the transfer of title to a Unit.

(a) Common Areas. Each Unit shall be entitled to its Percentage Interest in the Common Areas. There may be no restriction upon any Unit Owner's right of ingress and egress to his or her Unit, which right shall be perpetual and appurtenant to ownership of the Unit. However, reasonable rules and controls over vehicular and pedestrian access, such as speed limits, stop signs and confining traffic to reasonable areas shall not be deemed a violation of this provision.

(b) Association Membership. Each Unit Owner shall be a member of the Association, which term as used in this Declaration shall mean the Association described in

Section 2.1 below. The interest of each Unit Owner in the funds and assets held by the Association, shall be equal to his percentage interest in the Common Areas of the Condominium.

(c) Parking Areas. Outside Parking Areas are a part of the Common Areas, but garages are part of the Units as shown on the Plans. All entrances, exits, fixtures, equipment and associated facilities are part of the Common Areas. The Declarant or the Association may also allocate Parking Spaces on such reasonable basis as the Declarant or the Association deems appropriate and they may prescribe such rules and regulations with respect to the Parking Areas as they may deem fit.

(d) Land. The land in the Condominium shall be a Common Area.

Section 1.7. Limited Common Areas.

(a) The Association may provide for Limited Common Areas which are to be reserved for the exclusive use of one or more Unit Owners, their families, servants and invitees, but which shall not be available to all Unit Owners generally. The Limited Common Areas shall not be altered, diminished, or enlarged by any custom or practice of the Unit Owners and their neighbors. Limited Common Areas shall not be construed or interpreted to be separate and apart from Common Areas, but shall only be limited with respect to the reserved use thereof to one or more Units.

(b) Each of the porches, patios and balconies attached to or serving a Unit shall be a Limited Common Area and shall be reserved for the use of the Owner of the Unit and his family, lessees and invitees. The Owner of the Unit for whose use such porch, patio or balcony is reserved shall be responsible for the maintenance and upkeep of the same. The Unit Owner may not construct any fence around any such porch or patio, until he or she has secured the consent of the Association as provided in Section 7.3 below, which consent may be withheld for any reason. Even if consent is given for a fence, the Unit Owner shall be responsible for the maintenance of and for keeping the fence in a good and sightly condition.

(c) Any driveway going to a Unit or a garage attached to the Unit shall be a Limited Common Area for the benefit of such Unit Owner, provided that if the driveway serves more than one Unit, then such driveway shall be a Limited Common Area for the use of the Owners of each of the Units so served. Driveways, however, shall be maintained by the Association, and the use thereof shall be subject to any Rules and Regulations adopted by the Association.

Section 1.8. Encroachments. If any portion of the Common Areas shall encroach upon a Unit, or any Unit shall encroach upon another Unit, then a valid easement shall exist, for such encroachment and the maintenance thereof. If a Unit shall encroach upon any Common Area or upon any other Unit by reason of the original construction, reconstruction, or by the non- purposeful or non-negligent act of the Unit Owner, or with the consent of the Association, then an easement shall exist for such encroachment and the maintenance thereof. If any Common Areas shall encroach upon any Unit by reason of original construction or by the non-purposeful or non-negligent act of the Association or of the Declarant, then an easement for such encroachment shall exist so long as such encroachment shall exist. If there should be conflicting easements hereunder, the easement of the Unit Owner shall be superior.

Section 1.9. Supplemental Plot Plans. The Association and the Declarant each shall have the right, at any time and from time to time, to cause to be prepared and filed of record, supplements

to the Site Plan of the Condominium (Page 2 of the Plans) in order to show the location of driveways, parking areas, other land improvements, underground pipes, conduits or lines, utility lines, mains and easements, and the location of any other improvements located in the Condominium, for the purpose of establishing of record their location and the fact of their existence. No Supplemental Site Plans shall adversely affect any rights of a Unit Owner without the Unit Owner's consent thereto, unless the same corrects a manifest error, or is expressly permitted in this Declaration.

Section 1.10. Unit Splitting, Consolidation.

(a) No Unit shall be partitioned or subdivided without the prior written approval of the Board, the Mortgagee of such Unit, and a majority of the Unit Owners.

(b) No two (2) or more Units shall be consolidated into one Unit.

ARTICLE II
ASSOCIATION

Section 2.1. Association. Subject to the rights of the Declarant reserved in Section 5.2 below, the maintenance, repair, upkeep, replacement, administration, operation and management of the Condominium shall be by The Villas at Winding Ridge Owners Association, Inc., a corporation organized as a not-for-profit corporation under the laws of the State of Indiana ("Association") which shall fulfill its duties and functions pursuant to the following provisions of this Article II. A copy of the By-Laws governing both the Condominium and the Association is attached hereto and made a part hereof. The Association shall have the power and authority to do anything not prohibited by the Act or by this Declaration or the Bylaws which it believes to be in the best interest of the Unit Owners, whether or not such power is expressly conferred upon it herein.

Section 2.2. Membership in Association. (a) The Owner of each Unit shall, automatically upon becoming the Owner of the Unit, be a member of the Association until such time as his ownership ceases for any reason. Membership in the Association shall be an appurtenance to each Unit in the Condominium and shall pass with the conveyance of the Unit to each successive Owner. Each Unit Owner by the acceptance of a deed or other instrument evidencing his ownership interest, shall accept membership in the Association, and shall be subject to the power and authority of the Association; (b) The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) Five (5) years from the date of the conveyance of the first Unit in the Condominium.

Section 2.3. Voting Percentage. The Owners of each Unit, collectively, shall be a Class A member and be entitled to one (l) vote on each matter or question coming for a Vote in the Association's affairs since the Percentage Interest of each Unit in the Condominium will always be equal. Whenever hereunder a specified percentage of the Unit Owners is required, such percentage

shall mean votes cast adding up to that percentage, or Unit Owners having such an aggregate Percentage Interest. The By-Laws may provide procedures for holding such voting.

Section 2.4. Board of Managers. The Members shall elect a Board of Managers of the Association annually as prescribed by the By-Laws. The Board of Managers shall be the governing body of the Association, representing all of the Owners in providing for the management, administration, operation, maintenance, repair, replacement and upkeep of the Condominium Property exclusive of the Condominium Units.

Section 2.5. Compliance with Documents and Rules and Regulations. The Association shall have the power to promulgate for the common benefit of all Unit Owners Rules and Regulations governing the use of the Condominium including all Common Areas and including the imposition of reasonable Rules and Regulations which may limit the use of their Units by Unit Owners. Each owner, tenant or occupant of a Unit and their guests and invitees, shall comply with the provisions of the Declaration, the By-Laws, and the Rules, Regulations and decisions of the Association or its representatives, as lawfully amended from time to time. The Association may impose fines for the violation of its Rules and Regulations and all such fines shall be added to the next payment due on the Annual Assessment and shall be secured by the lien of the Association therefor. The Association may also bring an action to recover sums due for damages, for fines, or for injunctive relief resulting from a violation or failure to comply with such Rules and Regulations.

Section 2.6. Easement of Association. The Association shall have an easement for access to all Units in the Condominium as required by its officers, Board of Managers, employees and their agents and independent contractors, in order to perform the obligations and duties of the Association as set forth in this Declaration and any other applicable documents. This easement is also reserved for the benefit of the Declarant so long as Declarant or an affiliate thereof is managing the Condominium. The Association shall have the right of entry to any Unit to perform emergency repairs and/or to do other work reasonably necessary for the proper maintenance and operation of the Condominium.

Section 2.7. Delegation by Association. Nothing in this Declaration shall limit the discretion of the Board of Managers of the Association to delegate authority to any officer, manager or a management agent.

Section 2.8. Professional Management. The Association upon and after assuming the management and control of the Common Areas of the Condominium, shall contract with a reputable management company for the provision of accounting, bookkeeping and managerial services to include the preparation of, notices for and collection of all assessments, the preparation of notices for all meetings or of any other kind required by this Declaration, and the performance of such other services as the Board of Managers may designate. The expenses for such managerial services shall be Common Expenses. Any contract with a management agent shall have a maximum term of one year at a time, although such contract may be renewed from year to year, and shall be subject to termination by the Association at any time for cause. If the Declarant shall manage the Association, then such contract or right of management by the Declarant shall be subject to termination upon sixty (60) days written notice if a majority of the Class A Members shall vote to terminate such management by the Declarant.

Section 2.9. Property and Debt by the Association. The Association may purchase property and take title thereto in its corporate name. All such property although owned by the Association, shall be treated under the terms of this Declaration as if it were part of the Common Areas and shall

be subject to the Rules and Regulations of the Association. The Association may mortgage or encumber any of the property it owns, and may incur debt with respect to its property or otherwise, as it may deem to be in the best interest of the majority of the Unit Owners. Any costs or expenses incurred by the Association, including an obligation to make debt payments and other obligations, shall be treated as part of the Common Expenses of the Condominium. Such expenses shall be included in the Annual Budget and in any necessary Supplemental Budget, and shall be used in determining the Annual Assessment and any Special Assessments to the Unit Owners, to the same extent as any other expenses and obligations of the Association and of the Condominium.

Section 2.10. Condemnation Proceedings. The Association shall have the exclusive right to represent the Unit Owners in any Condemnation Proceedings and to adjust any losses and handle all proceeds from insurance resulting from damage or destruction to the Condominium.

Section 2.11. Control of Common Areas. The Association shall have the right to establish Rules and Regulations governing the Common Areas. The Association shall have the right to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes necessary or reasonably appropriate for the proper operation of the Condominium. Either the Association or the Declarant shall have the right to enter into agreements governing the use of the Lake abutting the Condominium with any adjoining landowners, including the Declarant.

Section 2.12. Condominium Documents. The Association shall keep current copies of a) this Declaration, b) the Bylaws as the same may be amended from time to time, c) all Rules and Regulations then in effect, as well as d) its own books, records and financial statements, and shall make them available for inspection by the Unit Owners, and by holders, insurers and guarantors of first mortgages that are secured by Units in the Condominium, during normal business hours or under other reasonable circumstances.

ARTICLE III
USE RESTRICTIONS

Section 3.1. Residential Purposes. All Units in the Condominium shall be, and the same hereby are, restricted exclusively to residential use. No structures of a temporary character, nor any trailer, basement, tent, shack, carport, garage, barn or other outbuilding, shall be used as a residence on any portion of the Condominium Property at any time, either temporarily or permanently, and no temporary structure, trailer, shack or outbuilding shall be placed on the Condominium Property at any time without the prior written consent of the Association. Nothing shall be done or permitted in any Unit which would structurally change any building, or affect any Common Areas or plumbing, electrical, mechanical or other services or systems, unless first approved in writing by the Association.

The use restrictions in this Section 3.1 shall not, however, be construed in such a manner as to prohibit a Unit Owner from: (i) maintaining his personal professional library therein; (ii) keeping his personal business or professional records or accounts therein; (iii) handling his personal business or professional telephone calls or correspondence therefrom; or (iv) conducting any home occupation permitted under the applicable zoning code in residential districts. Such uses are expressly declared to be incident to the principal residence use and not in violation of this Section 3.1, provided that such use does not involve customers, employee, licensees or invitees coming to the unit.

Section 3.2. Construction and Sale Period. Notwithstanding any provisions contained herein to the contrary, it shall be expressly permissible for the Declarant or the builder of said Units and structures to maintain, during the period of construction and sale of said Units, upon such portion

of the Condominium Property as the Declarant may deem advisable, such facilities as in the sole opinion of the Declarant may be reasonably required for, or be convenient or incidental to, the construction and sale of the said Units, including, but without limitation, storage areas, construction yards, signs, model residences, construction offices, sales offices and business offices.

Section 3.3. Leasing of Residences. Entire Units may be rented provided the term of occupancy is for not less than thirty (30) days, and such occupancy is only by the lessee and his immediate family or as may be approved or otherwise provided for by the Association's Board of Managers. No room or portion of a Unit may be rented and no transient tenants accommodated. All leases must be in writing and comply with the By-Laws.

Section 3.4. Use. Any Unit Owner may authorize the following persons to use the Common Areas and facilities: members of his family, guests while residing with or visiting the family, his duly authorized tenants, or contract purchasers who reside on the property.

Section 3.5. Rights of Unit Owners. Every Unit Owner shall have the non-exclusive right in common with all other Unit Owners to the use and enjoyment in and to the Common Areas, other than Limited Common Areas, and such rights shall pass with the title to his Unit, subject to the following rights which are hereby granted to the Association:

(a) The right of the Association to charge reasonable admission, maintenance, and other fees for the use of any facilities situated upon the Common Areas, and to make other charges as herein provided.

(b) The right of the Association to suspend the voting rights and right to use Common Areas by any Unit Owner other than access to his or her Unit for any period in which any assessment against his Unit remains unpaid, and for a period not to exceed sixty (60) days for any or each infraction of its published rules or regulations, and to impose reasonable fines for any such infractions or other infractions of its rules.

(c) The right of the Association to dedicate, transfer or grant rights-of-way and easements over or through all or any part of the Common Areas to any public agency, authority, utility, and to grant easements to private persons.

(d) The right of the Association to restrict portions of the Common Areas for parking, or for other uses, so long as such restrictions do not discriminate among the Unit Owners.

(e) The right of the Association to adopt reasonable rules and regulations governing the use of the Common Areas, or which otherwise are deemed by it to be for the common good of the Unit Owners

ARTICLE IV
COMMON EXPENSE

Section 4.1. Common Expenses. Common Expenses shall include all expenses of the Association and the expenses of administration, expense of insurance, maintenance, upkeep, operation, repair, replacement and betterment of the Common Areas; rent, maintenance and other costs relating to recreational and/or common facilities; and any other costs or expenses declared to be Common Expenses under this Declaration and the By-Laws; and any other valid charges against the Condominium Property as a whole or which are duly adopted by and voted on by the Association. Common Expenses shall include those expenditures which are to be paid for by special assessments, as well as all other expenditures lawfully voted by the members of the Association, or

as required by the Act, this Declaration or the By-Laws, and may include capital expenses and also other unusual or non-recurring items.

Section 4.2. Sharing of Common Expenses. Subject to the provisions of Section 4.5 below, all of the separate Unit Owners shall share in any common profits and be liable for a share of the Common Expenses in proportion to their Percentage Interest in the Common Areas. The Board of Managers of the Association may vote to round off any monthly assessments of Common Expenses Assessed against each Unit to the nearest even multiple of One Dollar ($1.00), or it may vote to round off such monthly assessment to the next higher even multiple of One Dollar ($1.00) or Five Dollars($5.00).

Section 4.3. No Exemptions. No Owner of a Unit may exempt himself or herself from liability for his or her contribution towards the Common Expenses by waiver of the use and enjoyment of any of the Common Areas or by the abandonment of his Unit.

Section 4.4. Budget. A budget of all anticipated Common Expenses, including capital expenditures and/or reserves, shall be prepared for each Fiscal Year of the Association. Such budget shall be prepared in time so that it can be reviewed by the Unit Owners in advance of the Annual Meeting of the Association as provided in the By-Laws.

Section 4.5. Assessments. Common Expenses shall be assessed against Unit Owners as provided in the By-Laws, except that any unoccupied Units which are owned by the Declarant and which are being offered for first time sale, shall not be subject to assessment, including special assessments, except as otherwise may be required by applicable law.

Section 4.6. Unit Maintenance. Except as otherwise provided herein and in the By-Laws, each Unit Owner shall be responsible for all maintenance, repair, decoration and replacement within his own Unit, and for paying for the same. The Association may perform repair work on a Unit, if a Unit Owner shall fail to maintain his Unit, and charge the cost thereof to the Unit Owner, which cost shall be secured by the lien of the Association on such Unit. The Association may also provide services to the Units as provided in Section 7.2(b) below.

Section 4.7. Reserve for Contingencies and Replacements. The Board shall build up and maintain reasonable reserves for contingencies and replacements, which reserves shall be segregated from the other funds of the Association. The replacement reserve may not be used for any purpose other than the replacement of or additions to the property of the Condominium. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged against the contingency reserve. If the "estimated cash requirement" proves inadequate for any reason or in the event a non-recurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or non-recurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner. Then a separate assessment shall be made to each Unit Owner for his or her proportionate share of such supplemental budget. All Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. Such separate assessment may be made by the Board of Managers unless it involves proposed expenditures resulting in a total payment assessed to a Unit greater than four times a Unit's most recent monthly assessment, in which event the assessment shall be subject to approval by the Unit Owner as a Special Assessment pursuant to Section 5.05 of the By-Laws.

Section 4.8. Working Capital Fund. At the time the Declarant first conveys a Unit in the Condominium to any person other than an affiliate, the Purchaser of the Unit shall make a deposit

for working capital of the Association equal to three (3) monthly payments of the initial Annual Assessment.

ARTICLE V
DECLARANT'S RIGHTS

Section 5.1. Use of Property by Declarant. Declarant reserves the right to grant to others and to reserve to itself easements for utilities for ingress, egress and access, and other reasonable purposes, across, over or under Common Areas; to use any of the Units as models; and to sell Units and to conduct other businesses in connection with and during the construction and development of the Condominium from and in any of the Units prior to their being sold. This reservation of right or privilege of the Declarant includes, but is not limited to, the right to maintain models, erect signs, maintain an office, staff the office with employees, and to use any and all of the Common Areas and to show Units then unsold. Any improvements placed on the Condominium Property for the purpose of such sales, such as signs, telephones, or any other promotional items shall not be considered Common Areas nor attachments to the Condominium Property, but shall remain the property of the Declarant and may be removed at any time convenient to the Declarant. Declarant reserves the right to make prudent changes during the course of construction in the location or manner of construction of buildings and other improvements but no such changes shall be inconsistent with the Architect or Engineer's as-built certification. Declarant shall have the right to lease Units and to permit its lessee to have the right to use all Common Areas to the same extent as if it were a Unit Owner under this Declaration.

Section 5.2. Management. Declarant shall initially manage the Condominium and it shall have the right to continue to do so, so long as it shall own any Units in the Condominium, subject to the right of the Owners to terminate management by the Declarant as provided in Section 2.8 above. Declarant's right and obligation to manage the Condominium shall include the right to exercise all of the powers of the Association, including the right to manage the Common Areas, to set Assessments for Common Expenses as provided in the By-Laws (rather than for such right to be delegated to the Association as the By-Laws provide), subject to the limitations and requirements herein contained including those set forth in sections 4.4, 4.7 and 4.8 hereof, and to adopt the Rules and Regulations governing the use of the Condominium, until the first Annual Meeting of the members of the Association. Such rights shall be subject to the following:

(a) Declarant shall manage the Common Areas and it shall have the right to assess the Unit Owners sums. (Such assessment shall be equal to the amount set forth in the By-Laws for the Annual Assessment during the year in which the first conveyance of a Unit is made to a Unit Owner.)

(b) Declarant shall have the right to transfer the management of the Condominium to the Association at any time upon sixty (60) days prior notice. Declarant shall continue to manage the Condominium Property at the same per Unit cost as had been established, for the balance of the Fiscal Year of the Association in which the Declarant terminates its right to manage the Condominium, unless the Association shall have been advised that Declarant would not be managing the Condominium Property at the time the Annual Assessment for such year is established, or unless the Association shall agree that the Declarant may so terminate its management.

Section 5.3. Amendment by Declarant. The Declarant shall have the right acting alone and without the consent or approval of the Unit Owners, the Association, any Mortgagees or any other

person to amend or supplement this Declaration, the By-Laws or other documents from time to time if such amendment or supplement is (i) necessary to conform this Declaration to the Act, as amended from time to time, or (ii) made 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, the Veterans Administration 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, (iii) made to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages, or (iv) made to correct clerical or typographical errors. However, no such amendment shall decrease the rights of any Unit Owners to use the Common Areas and facilities, to use their Unit, nor to restrict access to any Unit. 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 those amendments permitted in this Section 5.3 on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, or other instrument affecting a Condominium Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement 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 5.3 shall terminate at such time as the Declarant no longer holds or controls title to any part or portion of the Condominium Property, but not longer than seven (7) years from the date hereof.

Section 5.4. Affiliates of Declarant. The Declarant may assign any of its reserved rights to any affiliate or successor of the Declarant in which event the affiliate or successor may exercise all of such assigned rights and shall be deemed a successor Declarant hereunder.

ARTICLE VI
RIGHTS AND LIABILITIES OF UNIT OWNERS

Section 6.1. Separate Mortgages of Units. Each Owner of a Unit shall have the right to mortgage or encumber his Unit together with his Percentage Interest in the Common Areas. No Owner of a Unit shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the Condominium Property or any part thereof except his own Unit and its Percentage Interest in the Common Areas as aforesaid. Any successor to a Unit, whether by foreclosure or otherwise, shall have the rights with respect to Limited Common Areas which are assigned to that Unit.

Section 6.2. Separate Real Estate Taxes. Real estate taxes are to be separately taxed to the Owner of each Unit, including taxes upon his or her share of ownership in the Common Areas, as provided in the Act. If for any year such taxes are not separately taxed to the owners of the Units, but are taxed on the property as a whole, then each Unit Owner shall pay his or her proportionate share thereof in accordance with his or her respective Percentage Interest in the Common Areas.

Section 6.3. Maintenance by Unit Owners. The owner of each Unit shall furnish and be responsible for, at his or her own expense, all the maintenance, repairs and replacements within his Unit, and any Limited Common Areas the exclusive use of which is limited to that Unit, unless otherwise provided herein, including the heating and air conditioning system. Maintenance, repairs and replacements of the refrigerators, ranges, and other kitchen appliances, air conditioning, lighting fixtures, windows, doors, sills, jams, frames, glass surfaces, partitions and interior walls, wall coverings, fixtures, internal water, electrical, gas and telephone lines, and other improvements and additions to the Unit shall be at the expense of the Unit Owner.

If, due to the negligent act or omissions of a Unit Owner or of a member of his family or household pet or of a guest or other occupant or visitor of such Unit Owner, damage shall be caused to the Common Areas or to a Unit owned by others, and if maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause.

To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or any Common Areas, then the use thereof by the Owner of such Unit shall be subject to the Rules and Regulations of the Association. The authorized representatives of the Association or Board of Managers or the Managing Agent for the Association, shall be entitled to reasonable access to any Unit as may be required in connection with inspection, maintenance, repairs or replacements of or to the Common Areas or any part thereof, or any equipment, facilities or fixtures affecting or serving other Units or any Common Areas. If any Unit Owner shall fail to perform any maintenance which in the judgment of the Association is his obligation or shall fail to keep his Unit and any Limited Common Areas required to be maintained by such Unit Owner in good order and repair, the Association shall have the right to perform such maintenance and/or otherwise to put such Unit and areas in good order and repair and to charge the Unit Owner all costs thereof. All charges by the Association to a Unit Owner shall be a lien on such Unit to the same extent as delinquent installments of an Assessment.

Section 6.4. Decorating. The Owner of each Unit shall furnish and be responsible for, at his own expense, all of the decorating within his Unit, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. The Owner of each Unit shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, and such Owner shall maintain such interior surfaces in good condition at his sole expense. Decorating of Common Areas and any redecorating of a Unit to the extent made necessary by any damage or replacement work on the Common Areas by the Association, shall be furnished by the Association as a part of the Common Expenses.

Section 6.5. Utility Services. Each Owner by acceptance of a deed to a Unit agrees to pay for utility services separately metered or separately charged by the utility company to that Unit. All other utility costs shall be common expenses and paid by the Association.

ARTICLE VII
MAINTENANCE AND CONTROL

Section 7.1. Maintenance of Common Areas. The Association shall be responsible for the maintenance, repair and replacement of all the Common Areas of the Condominium and all private streets located on the Condominium Property, except as may be otherwise herein provided. The Association shall also be responsible for such maintenance, repairs and replacements in the Common Areas as may be required for the bringing of utility services to the Units and to keep such services operating. All maintenance, repairs and replacements required of the Association shall be a Common Expense. However, the Association, or the Declarant, may provide that all or certain of the Limited Common Areas shall be maintained by the Unit Owners rather than the Association. In any event, the Association shall maintain all unfenced lawn areas.

Section 7.2. Maintenance Obligations of Association With Respect To Units. The Association's rights and obligations with respect to the maintenance of Units shall be as follows:

(a) The Association shall repair and restore any damage it may have done resulting from access and any activities within any portion of a Unit by the Association or its agents and employees. The cost of all such repairs by the Association shall be charged as a Common Expense and pro rated among all the Unit Owners, except to the extent that such repair work is caused by or necessitated by the negligence of a Unit Owner or a member of his family, or his guests or invitees, in which case the Unit Owner shall be obligated to reimburse the Association for the cost of such repairs as provided in Section 6.3 of this Declaration.

(b) The Association may permit its employees and agents to perform repair and service work in and to a Unit provided the same services are generally available to all Unit Owners. The Association may make reasonable charges for such services and/or it may wholly prohibit or otherwise restrict the rendering such services.

(c) The Association and its agents shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency in which case no notice shall be required), to enter into the Condominium Units for the purpose of inspection of the Common Areas and Limited Common Areas appurtenant thereto and for the replacement, repair, maintenance, alteration and improvement of such Common Areas and Limited Common Areas.

Section 7.3. Architectural Control.

(a) No Unit Owner other than the Declarant, shall make any alterations or additions to or which would affect the Common Areas or Limited Common Areas without the prior written approval of the Association, nor shall any Unit Owner make any alteration in or to his Unit and within the boundaries thereof which would affect the safety or structural integrity of, or any systems serving, the building in which the Unit is located.

(b) No building, fence, wall or other structure shall be commenced, erected or maintained upon the Condominium Property nor shall any exterior addition to or change or alteration be made to any improvements on the Condominium Property other than by the Declarant or its successors or assigns, until the plans and specifications showing the nature, kind, shape, height, material and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Association. The Association may impose reasonable restrictions on the manner of performance of such work, time limits for its completion, and other restrictions or requirements, either as a condition of its approval, or otherwise. The Association may also require any such work to be done by a bonded contractor. If the Association fails to approve or disapprove such work within sixty (60) days after adequate plans and specifications for such work have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Any change in the appearance or the color of any part of the exterior of a Unit shall be deemed a change thereto and shall require approval therefor as above provided.

(c) The Association shall have an easement to and upon all Common Areas including Common Areas located within any walls of any structures or Units located on the property subject to this Declaration, and the Association shall have no liability whatsoever

for entering any portion of such easement areas, including cutting through the walls of any Unit or similar damage to a Unit; provided, however, that the Association shall repair any damages committed by it to a Unit in a reasonable manner, and at its own expense.

(d) Declarant reserves the right to change the interior design, to increase the size or to reduce the number of any Units, to change the arrangement of any Condominium Units, and to alter the boundaries between Condominium Units so long as Declarant owns the Condominium Units so altered. No such change shall increase the number of Condominium Units nor decrease the Percentage Interest applicable to any Condominium Unit. If Declarant shall make any changes in the Condominium Units so authorized other than changes entirely within Units, such changes shall be reflected by a supplement to the Plans, and such supplement to the Plans need not be approved by the Association or any other Owners; provided however, no such change that shall substantially alter the roof lines, exterior finishing or other exterior treatment of the Units shall be made without the consent of a majority of the other Unit owners

ARTICLE VIII
INSURANCE

Section 8.1. Insurance. The Unit Owners, through the Association, shall purchase a master casualty insurance policy issued in the name of the Association for the use and benefit of the Unit Owners and the Association affording fire and extended coverage insurance insuring the Condominium Property for the full replacement value of the improvements which, in whole or in part, comprise the Common Areas and Limited Common Areas, and also including the value of the exterior walls from the studs outward and all other exterior improvements to the Units, including doors, windows and roofs. The Association shall advise the Unit Owners annually in writing of the amount and type of insurance coverage with respect to the several Units. Certificates of insurance shall be issued to each Unit Owner, and each mortgagee upon request, and no such policy shall be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each mortgagee listed as a mortgagee in the policies. If the Association can obtain such coverages for reasonable amounts it shall also obtain "all risk" coverage, Inflation Guard Endorsement, a construction code endorsement and a Special Condominium Endorsement. The Association 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 it deems advisable, the Association may cause the full replacement value to be determined by a qualified appraiser. The cost of any such appraisal shall be a Common Expense. Such insurance coverage shall be for the benefit of the Association, each Unit Owner, and, if applicable, the mortgagee of each Unit, upon the following terms and conditions:

(a) All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Association as hereinabove set forth shall be paid to it and the Association shall act as the insurance trustee and hold such proceeds for the benefit of the Unit Owners. In the event that the Board of Managers has not posted a surety bond for the faithful performance of their duties as such Board or if such bond does not exceed the amount of funds which will come into its hands, and there is a damage to a part of or all of the property resulting in a loss, the Board of Managers shall obtain and post a bond for the faithful performance of its duties as insurance trustee in an amount equal to one hundred ten percent (110%) of the proceeds resulting from such loss, before the Board of Managers shall

be entitled to receive the proceeds of the insurance payable as a result of such loss. As hereinafter provided the Association may utilize the services of an independent insurance trustee in which event it shall not be required to post a bond. The sole duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees. The proceeds shall be used or disbursed by the Association, as appropriate, only in accordance with the provisions of this Declaration.

(b) Such master casualty insurance policy, shall contain "all risk" coverage to the extent reasonably available, and shall (to the extent the same are obtainable on reasonable terms) contain provisions that the insurer (i) waives its right to subrogation as to any claim against the Association, its Board of Managers, agents and employees, the Unit Owners, and their respective agents and guests, and (ii) waives any defense based on the invalidity arising from the acts of the insured, and providing further, if the Association is able to obtain such insurance upon reasonable terms, (l) that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual Unit Owners as hereinafter permitted, and (2) that there shall be no provision thereof giving the insurer an election to repair damage in lieu of a cash settlement.

(c) The Unit Owners, through the Association, shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Managers shall deem appropriate from time to time; however, such coverage shall be for at least One Million Dollars ($l,000,000.00) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. Such comprehensive public liability insurance policy shall cover the Association, its Board of Managers, committees, organizations, any managing agent appointed or employed by the Association, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Condominium, all Owners of Units and if practicable all other persons entitled to occupy any Unit or other portions of the Condominium. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas, and, if available at a reasonable premium, legal liability arising out of lawsuits related to employment contracts of the Association. Such policy shall also provide that it may not be cancelled or substantially modified by any party without at least ten (l0) days' prior written notice to the Association and to each Unit Owner and holder of a first mortgage on any Unit which is listed as a scheduled holder of a first mortgage in the insurance policy.

(d) The Association shall have a blanket fidelity bond covering any one who either handles or is responsible for funds that it holds or administers, whether or not that person receives compensation for services. The bond should name the Association as the obligee and the premiums therefor shall be paid as common expenses. The fidelity bond shall cover the maximum amount of funds that will be in the custody of the Association or its Management Agent (if the Management Agent does not carry its own bond for at least such amount) at any time while the bond is in force. Such bond shall include a provision that calls for 10 days' written notice to the Association before the bond can be cancelled or substantially modified for any reason.

(e) The Association, and the Unit Owners through the Association, shall also obtain any other insurance required by law to be maintained, or by VA, FHA or FNMA regulations applicable to the Project from time to time, including but not limited to workmen's compensation insurance, flood insurance if applicable, and fidelity coverage. The Association may also obtain any other insurance that it shall from time to time deem necessary, advisable or appropriate, including but not limited to, liability insurance on any vehicles owned by the Association and officers' and directors' liability policies. Such insurance coverage shall provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Unit Owner, the Association, its Board of Managers and any employee, agent and managing agent acting on behalf of the Association. Each Unit Owner shall be deemed to have delegated to the Association his right to adjust with the insurance companies all losses under policies purchased by the Association.

(f) The premiums for all insurance carried by the Association shall be paid for as part of the Common Expenses. When any such policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Unit Owner whose interest may be affected thereby, which notice shall be furnished by an officer of the Association or the managing agent.

(g) In no event shall any distribution of insurance proceeds be made by the Association directly to a Unit Owner where there is a mortgage endorsement on the certificate of insurance. In such event any remittances shall be to the Unit Owner and his mortgagee jointly.

(h) Each Unit Owner shall be solely responsible for and may obtain such additional insurance as he or she deems necessary or desirable at his or her own expense affording coverage upon his or her personal property, the contents of his or her Unit, all improvements from the drywall inward (including, but not limited to, all floor, ceiling and wall coverings and fixtures, betterments and improvements installed by him or her) and his or her personal property stored elsewhere on the Condominium Property, and for his or her personal liability, but all such insurance shall contain the same provisions for waiver of subrogation as referred to in the foregoing provisions with respect to the master casualty insurance policy to be obtained by the Association. Each Unit Owner may obtain any other insurance upon his or her Unit at his or her own expense but all such insurance shall provide that it shall be without contribution as against the casualty and other insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Association pursuant to this Section 8.1, due to pro ration of insurance purchased by a Unit Owner, the Unit Owner shall assign the proceeds of his or her insurance to the Association to the extent of the amount of such reduction.

(i) Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, an authorized representative, including any trustee with whom the Association may enter into an insurance trust agreement or any successor to such trustee who shall have such authority as may be delegated to it under the insurance trust agreement, including

authority to hold all the proceeds payable under an insurance policy for the benefit of the Association, authority or even exclusive authority to negotiate losses under any one or more policies providing such property or liability insurance, and/or to perform such other functions as are necessary to accomplish the reasonable purposes of such trust. The Association may retain authority to negotiate losses even if an insurance trustee is appointed, and it may reserve authority to direct the actions of the insurance trustee in any manner consistent with the Association's obligations under this Declaration. Each Unit Owner appoints the Association or any trustee or substitute trustee designated by the Association as attorney-in-fact for the purpose of purchasing and maintaining such insurance, and for the following additional purposes:

(i) the collection and appropriate disposition of the proceeds thereof;
(ii) the negotiation of losses and execution of releases of liability;
(iii) the execution of all documents; and
(iv) the performance of all other acts necessary to accomplish such purposes.

Section 8.2. Casualty and Restoration. Unless all of the buildings containing Condominium units are completely destroyed, in the event of any damage or destruction of Units or Common Areas, the damage shall be repaired and paid for, to the extent available, from the proceeds of insurance carried by the Association. A determination of the total destruction of the buildings containing Condominium units, and thereafter a vote to reconstruct the damaged Units, shall each be determined by a vote of at least sixty-seven percent (67%) of all the Unit Owners at a special meeting of the Association called for that purpose, or by such lesser vote as may then be permitted under the Act. Where the Association is to repair and restore any such damage or destruction, it shall cause all Common Areas to be repaired, and shall cause the Units to be repaired and restored to the same condition they were in prior to such damage or destruction, except that the Association shall not be obligated to provide painting of walls or providing other wall finishes, floor covering, other than subfloor, nor for painting ceilings or application of other ceiling finish, except to the extent the Association collects insurance proceeds for those items. The individual Unit Owners shall be responsible for replacing their property within their Units, together with the responsibility for replacing fixtures and improvements within their Units to the extent they exceed the building standard at the time of original construction. The Unit Owners shall also be responsible for any additional loss or damage to their personal property and to the contents of their Units. The Association shall be responsible for repairing and restoring the walls, floors and ceilings of any and all Common Areas and Limited Common Areas that may be damaged or destroyed, and also for installing walls, floors and ceilings within the Units, and to improvements made on Common Areas by any of the Unit Owners, to the extent that there are insurance proceeds payable therefor to the Association.

Section 8.3. Restoration and Repair, Use of Insurance Proceeds. The Association may advertise for open or sealed bids, or may negotiate privately without seeking competitive bids, with licensed contractors for any repair or restoration. The Association may reject any bids for any reason and it may further negotiate with any bidder. Unless the Association shall otherwise determine the successful contractor shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings, and/or other

improvements. Excess insurance proceeds, if any, shall become a part of the Association's general funds to be used as the Association may deem to be appropriate.

Section 8.4. Assessment of Unit Owners if Insurance Proceeds are Inadequate. If any buildings are to be repaired or restored under the terms of Section 8.2 of the Declaration from the proceeds of insurance obtained by the Association, and if the insurance proceeds are inadequate to pay the complete cost of such repair or restoration required of the Association, Special Assessments shall be made against all the Unit Owners, in sufficient amounts to provide the funds necessary to complete such repair or restoration. Such Assessments may be made at any time and at more than one time, and to the extent so required shall not be subject to a vote of the Unit Owners. Assessments on account of such damage shall be in proportion to each Owner's Percentage Interest in the Common Areas.

Section 8.5. Allocation of Insurance Proceeds if No Repair or Restoration. If after the complete destruction of all of the buildings containing Condominium Units the destroyed buildings are not to be restored, then the insurance proceeds payable on account of the damage to or destruction of such buildings shall first be used to pay the cost of removing any portion of the buildings that remain after such casualty and of restoring the site. The balance of the funds on hand shall then be distributed to the Unit Owners and the holders of liens on the Units in accordance with the relative value of the Units immediately prior to the damage if permitted by law; otherwise in proportion to their percentage interest in the Common Areas. Pursuant to law the land shall revert to the Unit Owners as tenants in common.

In order to determine the relative values of the Units the Board of Managers shall, if necessary, select a qualified appraiser who shall determine the relative values of each Unit. The determination of the appraiser shall be binding upon all parties except that if any of the affected Unit Owners challenges the appraiser's determination, such Unit Owner, or Unit Owners if more than one collectively, shall appoint a qualified appraiser skilled in valuation of damage and destruction to dwellings and the two appraisers shall appoint a third appraiser, similarly skilled. The average of the calculations of the three appraisers shall determine the question of such value. In the event that an Owner or Owners of Units challenge the determination of the original appraiser, the expense of the appraisers not appointed by the Association shall be charged to such challenging Owner or Owners. The determination of the Board of appraisers shall be final and binding upon the Association and all affected Unit Owners.

ARTICLE IX

Section 9.1. Disputes. Matters of dispute or disagreement between Unit Owners or with respect to interpretation of the application of the provisions of this Declaration or By-Laws or any Rules or Regulations promulgated by the Association, shall be determined by the Board of Managers of the Association, which determination shall be final and binding upon all Unit Owners. If the Association shall deem it to be advisable, it shall have the power to employ experts to advise it in the settling of disputes and to charge the cost thereof as a Common Expense.

Section 9.2. Right of Suit. The Association and any aggrieved Unit Owner shall have a right of action against any Unit Owner or Owners for failure to comply with the provisions of the Declaration, By-Laws, the Rules, Regulations, and decisions of the Association which are made pursuant to authority granted the Association in such documents. Unit Owners shall have a similar right of action against the Association.

Section 9.3 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the community safer than it otherwise might be. Neither the Association, the Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Condominium, however, and neither the Association, the Declarant, nor any Successor Declarant shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken. All Unit Owners and occupants of any Unit, and tenants, guests and invitees of any Unit Owner, as applicable, acknowledge that the Association and its Board of Directors, Declarant, or any Successor Declarant do not represent or warrant that any security system will be installed or that any security system which is implemented or installed by the Declarant or the Board will be effective in any or all situations. All Unit Owners and occupants of any Unit, and tenants, guests and invitees of any Unit Owner hereby release the Declarant and the Board from any liability for security efforts or for failure to implement security in the Condominium.

ARTICLE X
GENERAL PROVISIONS

Section 10.1. Enforcement. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this or her Declaration, By-Laws, or any Rules or Regulations governing the Condominium Property, including any fines levied by the Association. Failure by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any proceeding arising because of failure of a Unit Owner to make any payments required or to comply with any provisions of the Declaration, the Act, the By-Laws, or the Rules and Regulations adopted by the Association as each may be amended from time to time, the Association shall be entitled to recover its costs and reasonable attorney's fees incurred in connection with default or failure.

Section 10.2. Severability. Invalidation of any one of the provisions of this instrument or of the By-Laws by judgment or court order shall not affect the remaining provisions thereof and the same shall remain in full force and effect. Any provision of this Declaration that is determined to be in violation of or contrary to any law shall thereafter be interpreted so as to comply with the law in the manner that will be closest to the provisions of this Declaration so held invalid. Thus, if more than sixty-seven percent (67%) of the Unit Owners are required to vote or agree with respect to anything required hereunder or to have at least a vote of sixty-seven percent (67%) of the Unit Owners, the lowest percentage number of the Unit Owners that comply with the legal requirements shall thereafter apply.

Section 10.3. Undivided Common Areas. Common Areas will remain undivided. Prior to the total destruction of all the buildings in the Condominium no Unit Owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Condominium.

Section 10.4. Amendment. Amendments to this Declaration shall be proposed and adopted in the following manner:

(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting of the Unit Owners at which proposed amendment is considered. Notice shall also be sent to any holder of a first mortgage on a Unit, which

holder has requested the Association to notify it of any proposed amendment of the Articles or the Bylaws.

(b) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Managers or by not less than 5% of the Unit Owners. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly held in accordance with the provisions of the Bylaws.

(c) Approval. Any proposed amendment to this Declaration shall be approved by a vote of not less than 67% of the Unit Owners entitled to vote. If the proposed amendment or other action of the Unit Owners shall affect any of the actions set forth in subparagraph (d), then such action shall also require approval by at least 51% of the holders of first mortgages on such units who or which have requested that the Association notify them of any proposal action by the Association; ("Eligible Mortgages").

(d) Any proposal to amend the Declaration or the Bylaws which shall affect a change and any of the following shall require approval by 51% of the holders of Eligible Mortgages on the units, namely:

(i) Voting rights;

(ii) Assessments, assessment liens, or the priority of assessment liens;

(iii) Reserves for maintenance, repairs or replacement of common areas;

(iv) Responsibility for maintenance and repairs;

(v) Reallocation of interest in the general or limited common areas, or rights to their use;

(vi) Redefinition of any Unit boundaries;

(vii) Convertibility of any Units and Common Areas or vice versa;

(viii) Expansion or contraction of the project, or addition, annexation or withdrawal of property to or from the project (except expansion as provided in Article XI hereof);

(ix) Insurance or fidelity bonds;

(x) Leasing of Units;

(xi) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;

(xii) Any decision of the Association to establish self-management;

(xiii) Restoration or repair of the Condominium after hazard damage or condemnation;

(xiv) Any action to terminate the legal status of the condominium after substantial destruction or condemnation;

(xv) Any provisions that expressly benefit mortgage holders, insurers or guarantors of mortgages of any of the Units;

(e) If the Unit Owners shall consider termination of the legal status of the project for reasons other than substantial destruction or condemnation of the property, approval of 67% of the Eligible Mortgages shall be required. However, for purposes of subparagraphs (d) and this subparagraph (e), if an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal sent to it or delivered by certified or registered mail with return receipt

requested, or otherwise after it shall receipt for receipt of notice, then such Eligible Mortgagee shall be deemed to have approved the proposed action.

(f) Recording. Each Amendment to this Declaration and each Supplemental Declaration shall be executed by the President or a Vice President and Secretary or an Assistant Secretary of the Association, or by the Declarant if made pursuant to Declarant's reserved rights, and shall be recorded in the office of the Recorder of Marion County, Indiana, and no such Amendment or Supplement shall become effective until recorded.

(g) The provisions of this Section 10.4 shall not affect the right of the Declarant to expand the Condominium as set forth in Section 5.5 or in Article XI of this Declaration.

Section 10.5. Legal Actions. The Association may commence or maintain an action for the recovery of any damages caused to the Condominium if any Unit or any part of the Common Areas are damaged or destroyed, or for any other proper claim by the Association. Any such action where a Unit is damaged, may be maintained in the names of the affected Unit Owners, may be joined with any action brought by the Unit Owners, and may be prosecuted or settled by the Association as it sees fit. This provision shall survive the termination of this Declaration, and any recovery minus costs advanced by the Association shall be paid into the Reconstruction Fund, and paid out as provided for insurance proceeds under Article VIII.

Section 10.6. Costs and Attorney's Fees. In any proceeding arising because of failure of a Unit Owner to make any payments required, including fines, or to comply with any provisions of this Declaration, the Act, the By-Laws, or Rules and Regulations, as each may be amended from time to time, the Association shall be entitled to recover any fines duly imposed as well as its costs and reasonable attorney's fees incurred in connection with such default or failure. Such payments, costs, fines and attorney's fees shall be secured by the Association's lien on such Unit.

Section 10.7. Rights of Mortgagees.

(a) If any Mortgagee of a Unit shall so request in writing, identifying its interest in a Unit, it shall be given notice at least thirty (30) days prior to the effective date of any changes in the Condominium documents, other than Amended or Supplemental Declarations which are permitted to be made by the Declarant under the provisions of Section 5.3 above, and ten (10) days notice of any change in the management agent or manager of the Condominium, or any condemnation loss or any casualty loss which affects a material portion of the Condominium Property or the mortgaged Unit; and of any lapse of the Association's insurance policy or fidelity bond, or any action which requires consent of a specified percentage of eligible mortgage holders as specified in paragraphs (f) and (g) below.

(b) Unless all holders of first mortgage liens on individual Units of which the Association has been given notice, have given their prior written approval if they so request, the Association shall not:

(i) Change the pro rata interest of any Unit for purposes of assessment, or change the Percentage Interest of any Unit (except through expansion of the Condominium as provided in Article XI hereof).

(ii) Seek to abandon the Condominium status of the Condominium Property except as provided by statute in case of loss to the Units.

(c) Each Mortgagee which shall so request shall be entitled to written notice from the Association of any default by a Mortgagor of an individual Unit mortgaged to it in the

performance of the Mortgagor's obligations under the Condominium documents and which is not cured within sixty (60) days. Nothing herein shall prohibit the Association from giving a Mortgagee notice of such a default at any time. Any Mortgagee which shall so request shall also be given a reasonable right to cure any default by the Unit Owner whose Unit is subject to such mortgage.

(d) The Association shall honor any powers of attorney given by any Unit Owner to his Mortgagee pursuant to its mortgage documents.

(e) In the case of fire or other casualty or disaster, other than complete destruction of all buildings containing the Units, the improvements shall be reconstructed substantially in accordance with the original plans and specifications so far as reasonably possible.

(f) No reallocation of interests in the Common Areas resulting from a partial condemnation or partial destruction of any part of the Condominium property without the prior approval of eligible holders holding mortgages on the remaining Units, and which have at least 51% of the votes of the mortgage holders of such mortgages.

(g) Any decision by the Owners or the Association to provide for self-management shall not be effective unless approved by the Owners of 67% of the Units and by 51% of the Mortgagees holding mortgages on any of the Units. For purposes of determining the votes of Mortgagees, each shall have one vote per Unit on which they hold a mortgage.

Section 10.8. Definition of Terms. The following terms as used in this Declaration and the By-Laws shall have the meanings set forth as follows:

(a) "Act" shall mean the Horizontal Property Law, IC 32-1-6-1 et seq., as amended from time to time.

(b) "Adjacent Property" shall mean the property which may be annexed to the Condominium without vote of the Unit Owners as provided in Section 11.1 hereof.

(c) "Articles" shall mean the Articles of Incorporation of the Association as filed with the Indiana Secretary of State, and any duly adopted changes thereto.

(d) "Association" shall mean the Villas at Winding Ridge Owners Association, Inc., an Indiana not-for-profit corporation.

(e) "Board of Managers" or "Board" as used herein shall refer to the Board of Managers of the Association.

(f) "By-Laws" shall mean the By-Laws of the Association attached hereto and made a part hereof, and any duly adopted changes thereto.

(g) "Common Expense" shall mean generally all expenses of administration of the Association and for the operation, management, upkeep, maintenance, repair and replacement of the Condominium Property and shall include all items of "Common Expenses" as that term is defined under the Act.

(h) "Condominium" shall mean and include all the Units and all Common Areas in the Condominium Property, including any and all property annexed hereto from the time so annexed. Such term and the term "Horizontal Property Regime" shall have the same meaning and such terms may be used interchangeably.

(i) "Condominium Property" shall mean the parcel of real estate in Marion County, Indiana, described in Exhibit "A", attached hereto and made a part hereof and

designated therein as the "Condominium Property", and any additional property which may be annexed to the Condominium.

(j) "Declarant" shall mean Property Group One, LTD, its his successors and assigns who shall improve the Condominium.

(k) "Declaration" shall mean this Declaration and any Amended Declaration and/or Supplemental Declarations pertaining to this Condominium.

(k) "Fiscal Year" shall mean the fiscal year of the Association determined as provided in Section 5.04 of the By-Laws.

(l) "Limited Common Area" shall mean any part of the Common Areas which is restricted to the use of one Unit, or to a designated group of Units to the exclusion of other Units.

(m) "Mortgagee" shall mean the holder, insurer or guarantor of any first mortgage on a Unit.

(n) "Percentage Interest" shall mean the interest of a Unit in Common Areas as provided in Section 1.5.

(o) "Percentage Vote" shall mean the voting percentage granted to each Unit Owner in Section 2.3 herein. Such term may sometimes be used to mean the aggregate of the voting percentage of all Unit Owners who vote the same way in a particular matter.

(p) "Unit" shall have the meaning set forth in Section l.2.

(q) "Unit Owner" shall mean the owner or a collective owner, whichever the case may be, of a Unit.

(r) As used herein, the singular of any term shall mean and apply to the plural and the plural to the singular. Also the use of any gender shall mean and apply to any other gender where applicable.

Section 10.09 Declaration Compliance With Winding Ridge Master Declaration. All Unit Owners shall be subject to the Master Declaration recorded, or to be recorded, by R.N. Thompson Development, Inc.; and where such Master and this Declaration are in conflict, the more restrictive provision shall apply.

ARTICLE XI
EXPANSION

Section 11.1 Declarant's Right of Expansion. Declarant reserves the right to expand this Condominium by annexing to this Condominium, all or any part of the Adjacent Property, the term "Adjacent Property" shall mean the parcels of property which are adjacent to or across the street from the Conodomium Property. Such annexation may be accomplished in one or more phases, at one or more times, and may include all or any part of the Adjacent Property. All unit constructed on the Adjacent Property, whether or not annexed to this Condominium, shall be of the same general quality to the other Units being constructed therein by the Declarant, and all such Units shall be architecturally and economically compatible with the Units in any prior phases and shall be no smaller than as appears in the Site Plan. Declarant reserves the right however not to expand or to stop expanding this Condominium, and not to annex some, or all, of the residential units constructed on the Adjacent Property to the Condominium.

Section 11.2. Reserved Power of Attorney. The Deed conveying each Unit may reserve or cause to be granted a power of attorney in the Declarant to annex such additional areas to this Condominium, and to file Amendments and/or Supplements to this Declaration to accomplish the

annexation of such areas hereto. Such Amendments or Supplements to this Declaration shall also set forth the interest of each Unit Owner in the Common Areas so that each Unit Owner will own a percentage interest in all Common Areas in accordance with the provisions of Section 1.5 above.

Section 11.3. Reallocation of Percentage Interests. The Percentage Interests in the Commmon Area allocated to each Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded Supplement or Amendment to this Declaration. The amount by which such percentage appurtenant to a Unit is reduced, as set forth in each such recorded Supplement or Amendment to the Declaration, shall thereby and be deemed to be reallocated among the other Unit Owners as set forth therewith.

Section 11.4. Reservation of Rights in Legal Documents. Each deed, mortgage or other instrument affecting a Unit shall be deemed given subject to the limitation that the Percentage Interest in the Common Areas appurtenant to each Unit shall, upon the recording of each Amendment or Supplement to this Declaration, be divested pro tanto to the reduced percentage set forth in such Amendment or Supplement to this Declaration and vested among the other Unit Owners, mortgagees and others owning an interest in the other Units in acccordance with the terms and percentages of each such recorded Amended or Supplement to this Declaration.

Section 11.5. Adjustment of Percentage Interest. The Percentage Interest in the Common Areas appurtenant to each Unit shall include, and be deemed to include, any additional Common Areas annexed herto by a recorded Amendment or Supplement to this Declaration and each deed, mortgage or other instrument affecting a Unit shall be deemed to include such additional Common Areas and the ownership of any such Unit and the lien of any such additional Common Areas as such Amendments or Supplements to this Declaration are recorded.

Section 11.6. Additional Common Areas. Each Unit Owner shall have a perpetual easement appurtenant to his Unit for the use of any additional Common Areas annexed to the Condominium, for the purposes set forth in such Amendment or Supplement to this Declaration, except as to any Limited Common Areas as may be provided in any such Amendment or Supplement to this Declaration. The use of all Common Areas shall be subject to the Rules and Regulations adopted by the Board of Managers the same as the Common Areas established hereby.

Section 11.7. Survival of Liens. The recording of any such amendment or Supplement to this Declaration shall not alter the amount of any preexisting lien for assessments against a Unit prior to such recording.

Section 11.8. Acceptance of Provisions. Each Unit Owner by acceptance of the deed conveying his Unit agrees for himself and all those claiming under him, including mortgagees, that this Declaration and each Amendment or Supplement to this Declaration is and shall be deemed to be in accordance with the Act, and that any changes in the respective percentage interests in the Common Areas as set forth in each such Amendment or Supplement to this Declaration shall be deemed to be made by agreement of all Unit Owners.

Section 11.9. General Reservations. The Declarant reserves the right to amend and supplement this Declaration as set forth in Section 5.3 above. Each Unit Owner agrees to execute and deliver such documents necessary or desirable, to cause the provisions of this declaration to comply with the Act as it may be amended from time to time. The foregoing provisions of this Declaration and all deeds and mortgages of the Units by the Declarant will contain clauses designed to accomplish a shifting of interests in the Common Areas. None of any such provisions shall

invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of interests in the Common Areas can be accomplished.

IN WITNESS WHEREOF, the parties have entered into this Declaration Establishing a Plan for Condominium Ownership this 4th day of Aug, 1998.

Ansel W. Schmalhausen

Norma L. Schmalhausen

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared Ansel W. Schmalhausen and Norma L. Schmalhausen, Declarant, who acknowledged the execution of the foregoing Condominium Declaration on their behalf.

WITNESS MY HAND and Notarial Seal this 4th day of AUGUST, 1998

Notary Public

JEAN M. SIMPSON

My Commission Expires:

11-13-2000

My County of Residence:

JOHNSON

This instrument was prepared by Stephen D. Mears, Attorney at Law
50 East 91st , Suite 206, Indianapolis, Indiana 46240

The Villas at Winding Ridge
LAND DESCRIPTION

Part of the Northeast Quarter and part of the Northwest Quarter of Section 10, Township 16 North, Range 5 East of the Second Principal Meridian, Lawrence Township, Marion County, Indiana and being described as follows:

Beginning at the North Quarter corner of said Section 10;
thence North 89 degrees 17 minutes 46 seconds East (bearings are based on the Indiana Coordinate System, East Zone (NAD83)) along the North line of the Northeast Quarter of said Section 10 a distance of 1078.21 feet;
thence South 00 degrees 42 minutes 14 seconds East, perpendicular to said North line a distance of 70.00 feet;
thence South 45 degrees 42 minutes 14 seconds East 28.28 feet;
thence South 00 degrees 42 minutes 14 seconds East 20.34 feet to a tangent curve to the right and from which the radius point bears South 89 degrees 17 minutes 46 seconds West;
thence Southerly and Southwesterly along said curve an arc distance of 154.58 feet to a point from which the radius point bears North 47 degrees 30 minutes 00 seconds West, said curve having a radius of 205.00 feet, and being subtended by a long chord of South 20 degrees 53 minutes 53 seconds West, 150.94 feet;
thence South 42 degrees 30 minutes 00 seconds West 480.06 feet to a tangent curve to the left and from which the radius point bears South 47 degrees 30 minutes 00 seconds East;
thence Southwesterly along said curve an arc distance of 131.77 feet to a point from which the radius point bears South 72 degrees 40 minutes 00 seconds East, said curve having a radius of 300.00 feet, and being subtended by a long chord of South 29 degrees 55 minutes 00 degrees West, 130.72 feet;
thence South 82 degrees 13 minutes 42 seconds West 326.05 feet;
thence North 65 degrees 47 minutes 52 seconds West 243.47 feet;
thence North 82 degrees 00 minutes 00 seconds West 213.86 feet;
thence North 69 degrees 14 minutes 50 seconds West 418.85 feet;
thence South 86 degrees 00 minutes 25 seconds West 501.01 feet;
thence South 73 degrees 00 minutes 00 seconds West 120.01 feet;
thence North 62 degrees 00 minutes 00 seconds West 252.40 feet to the West line of the Northeast Quarter of the Northwest Quarter of said Section 10;
thence North 00 degrees 32 minutes 43 seconds West along said West line 388.83 feet to the Northwest corner of the Northeast Quarter of said Northwest Quarter;
thence North 88 degrees 32 minutes 43 seconds East along the North line of said Northwest Quarter a distance of 1334.02 feet to the point of beginning and containing 30.317 acres more or less.

Subject to the right of way for 56th Street and to all other legal easements and rights of way of record.

Exhibit "A"

FILED
OCT 28 1998
LAWRENCE TOWNSHIP
ASSESSOR

(26)

DEPT. OF METROPOLITAN DEVELOPMENT
DATE 11-10-98
PER
ADMINISTRATOR

CODE OF BY-LAWS

OF THE

THE VILLAS AT WINDING RIDGE CONDOMINIUM

AND OF THE

THE VILLAS AT WINDING RIDGE OWNERS ASSOCIATION, INC.

INSTRUMENT ACCEPTED FOR TRANSFER
SUBJECT TO FINAL ACCEPTANCE
98 NOV 11
152179
JOHN R. VON ARX
AUDITOR

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. These By-Laws are adopted simultaneously with the execution of a certain Declaration creating the THE VILLAS AT WINDING RIDGE CONDOMINIUM (hereinafter usually called the "Condominium") to which these By-Laws are attached and made a part. The operation and management of the Condominium shall be by the THE VILLAS AT WINDING RIDGE OWNERS ASSOCIATION, INC., (the "Association"), for which these By-Laws are adopted, subject to Declarant's rights of management as set forth in the Declaration and herein.

The Declaration and Articles of Incorporation are incorporated herein by reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association.

Section 1.02. Individual Application. All of the Unit Owners, future owners, mortgagees, tenants, future tenants, or their guests and invitees, or any other person that may use or occupy a Unit or any part of the Condominium Property, shall be subject to the terms, and conditions set forth in

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the Declaration, these By-Laws and the Act, and to any Rules and Regulations adopted by the Association.

ARTICLE II

Meetings of Association

Section 2.01. Purpose of Meetings. At least annually and at such other times as may be necessary, a meeting of the Unit Owners shall be held for the purpose of electing the Board of Managers, approving the Annual Budget, and for such other purposes as may be required by the Declaration, these By-Laws or the Act.

Section 2.02. Annual Meetings. The Annual Meeting of the Unit Owners shall be held on the first Monday on or after February 1 in each calendar year or as soon thereafter as is practicable. The Board of Managers may change the date for the Annual Meeting, but it shall give written notice to Owners of any change in the date of the Annual Meeting. At the Annual Meeting the Unit Owners shall elect the Board of Managers of the Association in accordance with the provisions of these By-Laws, shall consider and act upon the Annual Budget, and shall transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A Special Meeting of the Unit Owners may be called by the President, by resolution of the Board of Managers, or upon a written petition of not less than twenty percent (20%) of the Unit Owners. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purposes for which the meeting is to be called and such purposes shall be stated in the notice thereof which is sent to the Unit Owners. No business shall be transacted at a Special Meeting except as stated in the notice of the meeting, unless all the Unit Owners are present.

Section 2.04. Notice and Place of Meetings. Any meetings of the Unit Owners may be held at any suitable place in Marion County, Indiana, as may be designated by the Board of Managers. Written notice stating the date, time and place of any meeting, and in the case of a Special Meeting the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association or the Management Agent to each Owner. The notice shall be mailed or delivered to the Unit Owners at their address as it appears upon the records of the Association and also to any Mortgagee who has requested notices to be sent to it at its address as appears on the records of the Association. Attendance at any meeting by a Unit Owner or their authorized representative, in person or by proxy, shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. To facilitate the orderly conduct of the meeting, each Unit Owner who is a Class A Member shall be entitled to cast one vote on each matter coming before the meeting since the Percentage Interest of each Unit Owner will always be equal. So long as the Declarant is a Class B Member he shall have the right to cast three (3) votes for each Unit he owns.

(b) Multiple Owner. Where the Owner of a Unit constitutes more than one person, or is a partnership, there shall be only one voting representative entitled to cast the entire Percentage Vote allocable to that Unit.

(c) Voting by Corporation or Trust. Where a corporation or trust is a Unit Owner or is otherwise entitled to vote, the trustee may cast the Percentage Vote on behalf of the trust and the agent or other representative of a corporation who is duly empowered to vote shall cast any Votes to which the corporation is entitled.

(d) Proxy. A Unit Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Unit Owner shall duly designate his attorney-in-fact in writing, and such written designation shall be delivered to the Association prior to or at the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in the Declaration, these By-Laws or the Act, a majority of the Unit Owners shall constitute a quorum at all meetings.

(f) Conduct of Annual Meeting. The President of the Association shall serve as Chairman of the Annual Meeting and in his absence the Vice President shall serve. The Chairman shall call the Annual Meeting to order at the duly designated time and business will be normally conducted in the following manner:

(1) Reading of Minutes. The Secretary shall read the minutes of the last Annual Meeting and the minutes of any Special Meeting held subsequent thereto, but such reading may be waived upon motion.

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

(3) Budget. The proposed Annual Budget for the current fiscal year shall be presented to the Unit Owners for approval or amendment. If the Unit Owners do not approve the Annual Assessments for the current fiscal year at the time they approve the Annual Budget. The Board of Managers shall set the Annual Assessments for the year at such

amount as to raise the funds required to comply with the Annual Budget, including reserve requirements.

(4) Election of Board of Managers. Nominations for the Board of Managers may be made by any Unit Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least three (3) days prior to the date of the Annual Meeting. Voting for the Board of Managers will be by paper ballot unless a majority of the Unit Owners present waive voting by paper ballot and approve another form of voting. The ballot shall contain the name of each person nominated to serve as a Board member. Each Unit Owner may cast one vote for as many nominees as are to be elected. No Unit Owner may cast more than one vote for any nominee. Those persons receiving the highest number of votes shall be elected.

(5) Other Business. Other business may be brought before the Meeting only if accepted and ruled in order by the Chairman of the Meeting, or which is pursuant to written request submitted to the Secretary of the Association at least three (3) days prior to the date of the meeting.

(6) Adjournment.

ARTICLE III

Board of Managers

Section 3.01. Number and Eligibility. The affairs of the Association and of the Condominium shall be governed and managed by the Board of Managers (herein collectively called the "Board" or "Managers" and individually called "Manager"). The Board of Managers, who shall perform all duties and serve as a Board of Directors, shall be composed of five (5) persons. No

person shall be eligible to serve as a Manager unless he is a Unit Owner or unless he is appointed by the Declarant. Also, any Unit Owner who is thirty (30) days or more in arrears in his Annual or Special Assessments, will not be eligible to serve or continue to serve as Manager.

Section 3.02. Initial Board of Managers. The initial Board of Managers shall be as provided in the Articles of Incorporation of the Association, all of whom shall be appointed by Declarant. Notwithstanding any other provisions in the By-Laws, or the Declaration, the initial Board of Managers shall hold office until the first Annual Meeting of the Unit Owners which shall be held on the first Monday on or after February 1 each year. So long as the Declarant or an affiliate of the Declarant is managing the Condominium pursuant to the powers reserved to the Declarant in Section 5.2 of the Declaration, the Declarant may postpone the Annual Meeting of the Unit Owners, to the second year after the date of recording of the Declaration.

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

Section 3.04. Term of Office and Vacancy. The Board of Managers shall be elected at each Annual Meeting of the Association. At the first such meeting the Board shall be divided into three groups, one group shall be elected for one (1) year, one group for two (2) years and one for three (3) years. At each subsequent Annual Meeting persons equal to the number of each group whose terms expire shall be elected for a three (3) year period. At the first Annual Meeting two Managers shall be elected for two years, two Managers for three years and one Manager for one year. Thereafter all

Managers shall be elected to serve for the unexpired term of the Manager whom he or she has replaced, or for three years where the term of a Manager expires due to completion of his or her term of office.

Any vacancy or vacancies occurring in the Board of Managers shall be filled by a vote of a majority of the remaining Managers or by vote of the Unit Owners if a Manager is removed in accordance with Section 3.05 of this Article III.

Section 3.05. Removal of Manager. A Manager or Managers, except the initial Managers, may be removed with or without cause by vote of the Unit Owners at a meeting duly called and constituted. In such case, a successor Manager shall be elected at the same meeting from eligible Unit Owners at such meeting. A Manager so elected shall serve until the next Annual Meeting of the Unit Owners or until his successor is duly elected and qualified. An initial Manager may be removed and replaced at the discretion of the Declarant.

Section 3.06. Duties of the Board of Managers. The Board of Managers shall provide for the management, administration and operation of the Condominium, the maintenance, repair, upkeep and replacement of the Common Areas and Limited Common Areas, and the collection and disbursement of the Common Expenses. These duties include, but are not limited to:

(a) management, maintenance, repair and replacements of the common areas;

(b) procuring of utilities used in connection with the Condominium, removal of garbage and waste, and snow removal from the Common Areas;

(c) landscaping, painting, decorating, and furnishing of the Common Areas;

(d) surfacing, paving and maintaining streets, parking areas, and sidewalks;

(e) assessment and collection from the Owners of their pro rata share of the Common Expenses;

(f) preparation of Annual Budget;

(g) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner as soon as possible after the end of each fiscal year; and

(h) keeping a current, accurate and detailed record of receipts and expenditures affecting the Condominium Property, specifying and itemizing the Common Expenses. All records and vouchers shall be available for examination by an Owner upon reasonable notice during normal business hours.

(i) to procure fire and extended coverage insurance covering the Buildings and the Condominium Property to the full replacement value thereof and to procure public liability and property damage insurance and Workmen's Compensation Insurance, if necessary, for the benefit of the Unit Owners and the Association;

Section 3.07. Powers of the Board of Managers. The Board of Managers shall have all powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:

(a) to employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

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

(c) to employ legal counsel, architects, contractors, accountants, and others as in the judgment of the Board of Managers may be necessary or desirable in connection with the business and affairs of the Condominium;

(d) to include the costs of all of the above and foregoing as a Common Expense;

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

(f) to determine rules and procedures for hiring and firing of personnel necessary for the maintenance, repair and replacement of Common Areas and for approving the payment of vouchers, invoices and the like;

(g) to adopt, revise, amend and alter from time to time reasonable Rules and Regulations with respect to use, occupancy, operation, and enjoyment of the Condominium Property;

(h) to own, convey, encumber, lease and otherwise deal with the Condominium Property and property of and for the Association; and

(i) to grant easements, rights of way, and other rights over the Common Areas; and

(j) to do such other acts and things as are in the best interest of a majority of Unit Owners and which are not contrary to law, or to the Declaration or By-Laws.

Section 3.08. Limitation on Board Action. The authority of the Board of Managers to enter into contracts shall be limited to contracts involving a total expenditure of less than $5,000.00 without obtaining the prior approval of the Unit Owners at a meeting thereof, except in the following cases:

(a) contracts for replacing or restoring portions of the Common Areas or Limited Common Areas damaged or destroyed by fire or other casualty unless all the buildings are totally destroyed;

(b) proposed contracts and proposed expenditures expressly set forth as provided for in the Annual Budget as approved by the Unit Owners at the Annual Meeting, which shall include, but not be limited to, the compensation of the Managing Agent, ongoing contracts of all kinds, maintenance contracts, contracts for improvements which have been approved by the Association, and contributions to reserve accounts; and

(c) Items within the Budget need not be approved separately. The Board may also reallocate items in the Budget, if the total Budget will not be increased.

Section 3.09. Compensation. No Manager shall receive any compensation for his services unless a majority of the Unit Owners shall approve paying such compensation. Each Manager shall be reimbursed for his reasonable costs and expenses incurred for the benefit of the Association.

Section 3.10. Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by the President. The Secretary shall give

notice of the regular meetings of the Board to each Manager personally, or mailed by United States Mail, at least three (3) days prior to the date of such meeting.

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

Section 3.11. Waiver of Notice. Any Manager may, in writing, waive notice of a meeting and such waiver shall be deemed equivalent to the receipt of such notice. The presence of any Manager at a meeting shall, as to such Manager, constitute a waiver of notice of the time, place and purpose thereof. If all Managers are present at the meeting of the Board, or if those not present shall waive notice of the meeting or shall consent to the actions taken at the meeting, notice shall not be required and any business may be transacted at such meeting.

Section 3.12. Quorum. At all meetings of the Board a majority of the Managers shall constitute a quorum for the transaction of business and the votes of the majority of the Managers present at a meeting at which a quorum is present shall be the decision of the Board.

Section 3.13. Non-Liability of Managers. The Managers shall not be liable to the Unit Owners or any other persons for any error or mistake in judgment exercised in carrying out their duties and responsibilities as Manager, except for their own individual willful misconduct, bad faith or gross negligence. The Association may indemnify and hold harmless each of the Managers

against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration, By-Laws or the Act, and the Association shall, if reasonably available, carry liability insurance for the Board of Managers. The cost of such insurance shall be included as part of the Common Expenses. It is intended that the Managers shall have no personal liability with respect to any contract made by them on behalf of the Association. The Unit Owners shall be subject to special assessment for sums necessary for the Association to pay the aforesaid indemnity in favor of the Managers. Every contract made by the Board or the Managing Agent on behalf of the Association shall be in the name of the Association.

Section 3.14. Additional Indemnity of Managers and Officers. The Association may also indemnify any person, his heirs, assigns and personal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Manager or an Officer of the Association, against the reasonable expenses, including attorneys fees, actually incurred by him or her 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 person is liable for gross negligence or willful misconduct in the performance of his duties. The Association may also reimburse to any such Manager or Officer of the Association the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Unit Owners that such Manager or Officer was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Manager or an Officer, no Manager or Officer shall be considered or deemed to be guilty of or liable for

negligence or willful misconduct in the performance of his duties where, acting in good faith, such Manager or Officer relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent or any Officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such Manager had actual knowledge of the falsity or incorrectness thereof; nor shall a Manager or Officer be deemed guilty of or liable for negligence or willful misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Managers.

Section 3.15. Bond. The Board of Managers and officers shall be covered by the fidelity bond required of the Association. Such bond shall, if obtainable, provide coverage, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty. Such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bond shall be a Common Expense.

Section 3.16. Books and Records. The Board of Managers shall itself, or through the Manager, make available to Unit Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the Condominium, and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

ARTICLE IV

Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board.

Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

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

Section 4.03. The President. The President shall be elected from among the Managers and shall be the chief executive officer of the Association. He shall preside as Chairman at all meetings of the Association and of the Board, shall have and discharge all of the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including, but not limited to, the power to appoint committees from the Unit Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

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

Section 4.05. The Secretary. The Secretary need not be elected from among the Managers nor a Unit Owner. The Secretary shall attend all meetings of the Association and of the Board and

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

Section 4.06. The Treasurer. The Board shall elect a Treasurer who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of the Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Association. He shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board and shall keep such bank account in the name of the Association. The Treasurer need not be either a Unit Owner or a Manager.

Section 4.07. Additional Officers. The Board of Managers may, from time to time, designate and elect additional officers, including but not limited to, Vice Presidents and an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as are set forth herein for such office. The Assistant Secretary and Assistant Treasurer shall have such powers and duties as the officer whom they are elected to assist shall delegate to them, and such other powers and duties as these By-Laws or the Board of Managers may prescribe.

ARTICLE V

Accounting, Budgets and Assessments

Section 5.01. Annual Accounting. Annually, as soon as practicable after the close of each fiscal year, the Board shall cause to be prepared and furnished to each Unit Owner an audited financial statement prepared by an independent public accountant, who shall be a certified public accountant. Such statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year. The Association shall also furnish such financial statement for the preceding fiscal year free of charge to any holder, insurer or guarantor of a first mortgage that is secured by a Unit who shall so request in writing.

Section 5.02. Proposed Budget. Annually, on or before the date of the Annual Meeting of the Association, the Board of Managers shall cause to be prepared a proposed Annual Budget for the ensuing or current fiscal year estimating the total amount of the Common Expenses for such fiscal year. The Board of Managers shall furnish a copy of such proposed Annual Budget to each Unit Owner prior to or at the Annual Meeting. The Annual Budget shall be submitted to the Unit Owners at the Annual Meeting of the Association for adoption, and, if so adopted, shall be the basis for the Annual Assessment for the following fiscal year. At the Annual Meeting of the Unit Owners, the Budget may be approved in whole or in part or may be amended in whole or in part, by a majority of the Percentage Vote of those persons voting in person or by proxy; provided, however, that if the Annual Meeting of the Unit Owners is adjourned before an Annual Budget is approved at such meeting, then the Board of Managers may adopt a tentative Annual Budget for such year until an Annual Budget is approved by the Unit Owners.

Section 5.03. Annual and Special Assessments. Common Expenses shall be assessed to the Unit Owners, except as otherwise provided with respect to the Declarant in Section 4.5 of the Declaration, either as an Annual Assessment, or as a Special Assessment, proportionately in accordance with their respective Percentage Interest in the Common Areas, all as set forth below:

(a) An Annual Assessment shall be made for each Fiscal Year of the Association for all anticipated ongoing operating expenses of the Condominium, including reserves. The Annual Assessment shall be paid in twelve (12) equal monthly installments which shall be due and payable in advance on the first day of each calendar month. The amount of the aggregate Annual Assessments shall be equal to the total amount of expenses provided for in the Annual Budget, including reserve items.

(b) Special Assessments may be made for any unusual and/or extraordinary items, including capital expenditures, and for any unanticipated items, or if the Annual Assessments turn out to be insufficient. Special Assessments shall be payable in such amounts and at such times as may be provided in the resolution or other formal proposal setting forth the terms of such Special Assessments.

(c) A Special Assessment may also be made against certain Units having the use of Limited Common Areas, or for other purposes where certain Unit Owners receive services or privileges, which are not then generally available to all Unit Owners equally, as a charge for the use, maintenance and/or upkeep of such Limited Common Areas, or for such services or privileges, or for any other charges or expenses attributable to such Limited Common Areas, services, privileges or which result from actions of a Unit Owner which may cause extra expense to the Association. A Unit Owner's agreement to pay Special Assessments

may be imposed by the Declarant and/or by the Board of Managers as a condition to approving the use or improvement of Limited Common Areas, or as a condition to the rendition or grant of services or privileges.

(d) The Annual Assessment and any Special Assessments, together with interest, late charges, costs and reasonable attorney's fees, shall be a continuing lien on the property upon which each such assessment is made as each installment thereof becomes payable. Each Assessment, together with interest, late charges, costs and reasonable attorney's fees, shall also be the personal obligation of the persons who were the Owners of the Unit at any time when the Assessment was payable.

Section 5.04. Fiscal Year. The Fiscal Year of the Association shall initially commence on January 1 and end on December 31 of the following year, but the Board of Managers may change such Fiscal Year. If the Fiscal Year is changed the Board of Managers shall cause the Annual Assessment for the prior fiscal year to be assessed for any short Fiscal Year, or it may submit an interim or modified Budget and Annual Assessment for such period to the Unit Owners.

Section 5.05. Limitation on Assessments. During the Fiscal Year ending December 31, 199__ the maximum Annual Assessment shall be $_____.00 per Unit per year payable in monthly installments of $_____.00, and until real estate taxes are separately assessed to the Units, the Association may collect from the owner of each Unit the real estate tax which is allocable to his or her Unit. So long as the Declarant owns any Unit in the Condominium but not longer than two (2) years from the date of the conveyance of the first Unit in the Condominium, there shall not be any increases in the Annual Assessment nor shall there be any Special Assessments, without Declarant's

prior approval. For the purposes of this Section any Unit re-acquired by the Declarant after it has been sold shall be deemed not to be owned by the Declarant.

So long as the Declarant manages the Condominium he shall abide by the provisions of Section 5.02 and 5.03 hereof, and the Annual Assessment shall not be increased more than a cumulative average of eight percent (8%) per year unless such larger increase is approved by a vote of more than fifty percent (50%) of the Unit Owners other than the Declarant who vote in person or by proxy at a meeting duly held after the Unit Owners have been notified that such meeting would consider the Annual Budget for the following year and that an increase averaging more than eight percent (8%) per year is likely. Such maximum percentage increase shall be computed by compounding the Annual Assessment for the Fiscal Year ending December 31, 199___, at the rate of eight (8%) per year until the then current Fiscal Year. For such purposes any portion of the Annual Budget assessed for real estate taxes shall be treated separately and shall be based upon the Association's best estimate of actual taxes which will be payable during each fiscal year.

Section 5.06. Vote for Special Assessments. No Special Assessment, except Special Assessments imposed under Section 5.03(c) above, shall be adopted unless voted for by sixty-seven percent (67%) of the members of the Association who are voting in person or by proxy at a meeting called for this purpose. However, Special Assessments required because of an insufficiency of insurance and Special Use Assessments shall not be subject to any vote by the Unit Owners.

Section 5.07. Notice of Meetings for Assessments. Written notice of any meeting called for the purpose of approving the Annual Budget and Annual Assessment or a Special Assessment, shall be given or sent to all members and such notice shall state that the Annual Budget and/or a Special Assessment will be considered at such meeting.

Section 5.08. Commencement of Assessments. The Annual Assessments provided for herein shall be made for each Fiscal Year of the Association, and the first monthly payment of each Annual Assessment shall be due on the first day of the first month of each Fiscal Year. If the Annual Assessment has not been set by the first day of the Fiscal Year, then the payments due on the Annual Assessment shall be based upon any Tentative Assessment set by the Board of Managers, and if none is set then the assessments shall be based on the prior year's assessment until the Annual Budget and the Annual Assessment for such Fiscal Year is approved. The first monthly payment of the Annual Assessment payable after the Annual Budget is approved shall be adjusted to compensate for any prior payments which were too high or too low. The Annual Assessment for the Fiscal Year in which occurs the conveyance of the first Unit in the Condominium to a Unit Owner shall be the sum provided in Section 5.05 above. No Unit shall be liable for payments of the Annual Assessment until after the Unit is substantially completed and is ready for occupancy, and after one Unit has been conveyed by the Declarant to a Unit Owner. A Unit Owner shall pay a prorated monthly assessment for the balance of the month in which a conveyance of a Unit by the Declarant occurs.

Section 5.09. Delinquent Assessment. Any payment of an Assessment which is not paid within fourteen days shall automatically be subject to a late charge of $25.00, and if the payment is not paid within thirty (30) days after the date due shall bear interest from the date when due, at the rate of fifteen percent (15%) per annum, or such other interest rate as the Board of Managers may set from time to time. The Board of Managers shall have the right to change the amount of the late charge and the time period before such charge is imposed. The Association may bring an action at law against the Unit Owner personally obligated to pay the same; it may foreclose its lien against the Owner's Unit; or it may assert both rights and/or any other remedy available to it in law or in equity.

Section 5.10. Lien of Assessments. All sums assessed by the Association, but unpaid, for the share of the Common Expenses chargeable to a Unit including Special Assessments and Special Use Assessments, and any fines duly imposed by the Association, together with attorney's fees and the costs of collection thereof, shall constitute a lien on such Unit prior to all other liens, except only:

(a) Tax liens on the Unit in favor of any assessing unit or special district; and

(b) All sums unpaid on a first mortgage of record.

The sale or transfer of any Unit by foreclosure or by deed in lieu of foreclosure, shall extinguish the Assessment lien for payments which became due prior to such sale or transfer, but shall not extinguish the liability of the Unit Owner for such assessments. The lien for sums assessed may be foreclosed by a suit by the Association or the Managing Agent on its behalf in like manner as a mortgagee of such property. In any such foreclosure the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of the Unit. No such sale or transfer shall relieve the Unit or any successor owner of the Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.11. Liability of Grantee. In a voluntary conveyance of a Unit other than a deed in lieu of foreclosure, the grantee as successor Owner of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association prior to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Upon the request of any Unit Owner, purchaser or grantee thereof, or Mortgagee, the secretary or other authorized officer of the Association or the Managing Agent shall provide within seven (7) days of the request, a statement of the amount of current and delinquent assessments by the Association, including fines and charges, against a particular Unit. The

Association may require the Unit Owner to confirm that the person requesting the statement is a Mortgagee or purchaser or grantee of the Unit Owner. Once having been furnished with such a statement, such person shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth, plus costs of collection of such sums, if applicable.

Section 5.12. Failure of Owner to Pay Assessments. Each Unit Owner shall be personally liable for the payment of all Annual and Special Assessments. Where the Unit Owner constitutes more than one person, the liability of such persons shall be joint and several. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Annual or Special Assessments without foreclosing or waiving the lien securing the same, or it may bring a joint action to recover money damages and to foreclose its lien on the Unit.

Section 5.13. Assessments After Annexation. Subsequent to the filing of any Supplemental Declaration and prior to the date the assessment on the annexed portion shall commence, the Board of Managers may revise the budget to include the additional area and it may revise the Annual Assessments accordingly; provided, however, such revised Annual Assessment shall not be any greater or increase the amount of the Annual Assessment that a Unit Owner is paying for the current fiscal year at the time of the revision of the Budget.

ARTICLE VI

Right to Enter, Rules and Regulations

Section 6.01. Right of Entry. Each Unit Owner shall grant the right of entry to the Managing Agent or any other person authorized by the Board in case of any emergency originating in or threatening his or her Unit or the Building in which it is located, whether the Unit Owner is present

at the time or not. Any Unit Owner shall permit other authorized persons, or their representatives where so required, to enter his or her Unit for the purpose of inspection or performing installations, alterations, repairs and improvements to any Common Areas or Limited Common Areas. The Association shall attempt to see that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergencies, such right of entry shall be immediate and without notice.

Section 6.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate such Rules and Regulations regarding the operation of the Condominium Property, including but not limited to, the use of the Common Areas and Limited Common Areas and to provide reasonable restrictions on the use of the several Units, as the Board may deem necessary from time to time. The Board shall cause copies of such Rules and Regulations to be delivered or mailed promptly to all Unit Owners.

ARTICLE VII

Lease

7.01. Lease of Unit. If any Unit Owner (other than the Declarant or Developer) leases a Unit, a copy of such lease shall be furnished to the Board within ten (10) days after execution thereof. The lessee under each such lease shall be bound by and shall be subject to all of the non-monetary obligations of the Unit Owner-lessor under the Declaration and each such lease shall so provide. The Unit Owner-lessor shall not be relieved thereby from any of said obligations.

ARTICLE VIII

Amendment to By-Laws

Section 8.01. These By-Laws may be amended by a vote of not less than sixty-seven percent (67%) of the Percentage Vote of the Unit Owners voting in person or by proxy at a duly constituted meeting called for such purpose, or at an Annual Meeting. The Declarant without any vote of Unit Owners may amend these By-Laws for any purposes for which it is authorized to amend the Declaration under Section 5.4 thereof without a vote of the Unit Owners.

ARTICLE IX

Mortgages

Section 9.01. Notice to Association. Any Unit Owner who places a first mortgage lien upon his Unit may notify the Secretary of the Association or the Managing Agent and provide the name and address of the Mortgagee or the Mortgagee may do so. A record of such Mortgagee and the name and address shall be maintained by the Secretary or the Managing Agent and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these By-Laws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided, or as to which the Association is later notified in writing. Unless notification of any such mortgage and the name and address of Mortgagee and the Units on which it holds a mortgage are furnished to the Secretary or the Managing Agent, either by the Owner or the Mortgagee, no notice to the Mortgagee as may otherwise be required by the Declaration or these By-Laws shall be required and such Mortgagee shall not be entitled to vote on any matter to which it otherwise would be entitled by virtue of the Declaration or By-Laws or any proxy granted to such

Mortgagee in connection with the mortgage. Mortgagees of whom the Association has been notified shall be entitled to notice of any of the following, to-wit:

(a) any condemnation or casualty loss that affects either a material portion of the Condominium or the Units securing the mortgage;

(b) any 60 day delinquency in the payment of assessments or charges owed by the Owner of the unit on which it holds a mortgage;

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

(d) any proposed action that requires the consent of a specified percentage of the eligible mortgage holders.

ARTICLE X

Mandatory Arbitration Clause

Section 10.01 Claims, disputes or other matters in question between the parties to these By-Laws, arising out of or relating to, these By-Laws or breach thereof shall be subject to and decided by arbitration in accordance with the Arbitration Rules of the American Arbitration Association currently in effect unless the parties agree otherwise.

Demand for arbitration shall be filed in writing with the Association and with the American Arbitration Association. In no event shall the demand for arbitration be made after the date when the institution of legal or equitable proceedings based upon such claim, dispute or other matter in question would be barred by the applicable statutes of limitation in Indiana.

Joinder of parties and claims onthe same terms as the joinder rules set out in the Indiana Rules of Trial Procedure.

ARTICLE XI

Definitions

Section 11.01. All terms used herein shall have the same meaning as defined in the Declaration. A "Manager" as used herein is any member of the Board of Managers, and the term "Board" refers to the Board of Managers. The term "Annual Budget" shall mean the Budget adopted, or in context proposed for adoption, pursuant to Article V of these By-Laws. The term "Special Use Assessment" shall mean an assessment imposed by the Association for a privilege or to defray a special cost, such as a charge for carports, oversized storage areas and the like. The masculine pronoun shall be construed to include and/or mean the feminine and neuter gender as the case may be and the singular shall where applicable include the plural. The term "Member" means a Unit Owner in his capacity as a member of the Association, and sometimes the term Unit Owner is used to describe such person in his capacity as a member of the Association.

Adopted this 22nd day of January, 1998.

THE VILLAS AT WINDING RIDGE OWNERS ASSOCIATION, INC.

By Sherri Meyer
Sherri Meyer, President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared Sherri Meyer, who acknowledged the execution of the foregoing Code of By-Laws.

WITNESS MY HAND and Notarial Seal this 4th day of Aug., 1998.

My Commission Expires:
11-13-2000

Jean M. Simpson
Notary Public

County of Residence:
JOHNSON

JEAN M. SIMPSON
Printed Name

This instrument was prepared by Stephen D. Mears, Attorney at Law
50 East 91st Street, Suite 206, Indianapolis, Indiana 46240

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AMENDED AND RESTATED DECLARATION

OF

HORIZONTAL PROPERTY OWNERSHIP

FOR THE

VILLAS AT WINDING RIDGE HORIZONTAL PROPERTY REGIME

INCLUDING THE

AMENDED AND RESTATED CODE OF BY-LAWS OF

THE VILLAS AT WINDING RIDGE CONDOMINIUM

AND OF

THE VILLAS AT WINDING RIDGE OWNERS ASSOCIATION, INC.

CROSS-REFERENCES:

Instrument No. 1998-0194808
Instrument No. 1998-0194809
Instrument No. 2004-0083821
Instrument No. 2004-0083822

DEPT. OF METROPOLITAN DEVELOPMENT
DATE 2-18-14
PER LA
ADMINISTRATOR

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AMENDED AND RESTATED DECLARATION OF HORIZONTAL PROPERTY OWNERSHIP FOR THE VILLAS AT WINDING RIDGE HORIZONTAL PROPERTY REGIME

THIS AMENDED AND RESTATED DECLARATION (the "Declaration") is made as of the date executed below.

WITNESSETH:

WHEREAS, The Villas at Winding Ridge Horizontal Property Regime located in Marion County, Indiana was originally created and formed pursuant to the Indiana Horizontal Property Act, now codified at Indiana Code § 32-25-1-1 *et seq.*, as amended, and pursuant to a certain "Condominium Declaration", recorded in the Office of the Recorder of Marion County, Indiana, on November 11, 1998, as **INSTRUMENT NO. 1998-0194808** (hereafter, the "Original Declaration"), and the amendment thereto the First Amendment to the Condominium Declaration for The Villas at Winding Ridge Owners Association, Inc., recorded in the Office of the Recorder of Marion County, Indiana on April 26, 2004, as **INSTRUMENT NO. 2004-0083822** (hereafter, the "First Amendment to the Declaration") and the Code of By-Laws of The Villas at Winding Ridge Condominium and of The Villas at Winding Ridge Owners Association, Inc. (hereafter, the "Original By-Laws"), said Original By-Laws recorded subsequent to the Original Declaration on November 11, 1998 as **INSTRUMENT NO. 1998-0194809**, and its amendment thereto referred to as the Amendment to the Code of By-Laws of The Villas at Winding Ridge Condominium and of The Villas at Winding Ridge Owners Association, Inc. (hereafter, the "First Amendment to the By-Laws"), recorded in the Office of the Recorder of Marion County, Indiana on April 26, 2004 as **INSTRUMENT NO. 2004-0083821**;

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WHEREAS, the Original Declaration and Original By-Laws provide that the same may be amended by sixty-seven percent (67%) of all Owners of a Unit at The Villas at Winding Ridge Condominium;

WHEREAS, the Original Declarations provides that eligible mortgagees consent shall also be sought so long as they have requested notification, and based on the records of the Association, no mortgagee has requested such notice and, thus, no mortgagee approval is required by law;

WHEREAS, the Owners holding more than the requisite number of votes to approve this Amended and Restated Declaration and the Amended and Restated Code of By-Laws attached hereto, thereby voted for its approval at a duly-constituted meeting of the Owners on December 19, 2013; and

WHEREAS, the Owners of said Condominium Units desire to amend certain provisions of the Original Declaration, First Amendment to the Declaration, Original By-Laws and First Amendment to the By-Laws and to restate the same for the convenience of the Owners such that this Amended and Restated Declaration of Horizontal Property Ownership for The Villas at Winding Ridge Horizontal Property Regime and the Amended and Restated Code of By-Laws of The Villas at Winding Ridge Condominium and of The Villas at Winding Ridge Owners Association, Inc. attached hereto in no way nullify the Original Declaration and Original By-Laws or the effective date of the Original Declaration and the Original By-Laws. Except as to any exhibits to the Original Declaration, all other provisions of the Original Declaration, Original By-Laws and First Amendment to the By-Laws are hereby modified in their entirety, and superseded by this Amended and Restated Declaration and Amended and Restated Code of By-Laws.

NOW, THEREFORE, the Original Declaration and Original By-Laws, and amendments thereto, are hereby amended and restated as follows:

DEFINTION OF TERMS

The following terms as used in this Declaration and the By-Laws shall have the meanings set forth as follows:

(a) "Act" shall mean the Horizontal Property Law, Indiana Code § 32-25-1-1 *et seq.*, as amended from time to time. The Act is incorporated herein by reference.

(b) "Articles" shall mean the Articles of Incorporation of the Association as filed with the Indiana Secretary of State, and any amendments thereto.

(c) "Annual Assessment" means the Common Expenses assessed to the Unit Owners, proportionately in accordance with their respective Percentage Interest in the Common Areas, made for all anticipated ongoing operating expenses of the Condominium, as further provided in the By-Laws.

(d) "Association" shall mean The Villas at Winding Ridge Owners Association, Inc., an Indiana not-for-profit corporation.

(e) "Board of Directors" or "Board" shall mean the governing body of the Association being the Board of Directors elected by the Members in accordance with the By-Laws of the Association.

(f) "By-Laws" shall mean the Code of By-Laws of the Association providing for the administration and management of the Property and restrictions on its use, as required by and in conformity with the Act. A true copy of the By-Laws is attached to this Declaration as Exhibit B and incorporated herein by reference.

(g) "Common Area" means the common areas and facilities appurtenant to the Condominium Property as defined in Article I of this Declaration.

(h) "Common Expense" shall mean generally all expenses of administration of the Association and for the operation, management, upkeep, maintenance, repair and replacement of the Condominium Property (to the extent provided herein), and all sums lawfully assessed against the Members of the Association.

(i) "Condominium" or "Condominium Unit" means each one of the living units constituting The Villas of Winding Ridge, each individual living unit being more particularly described and identified on the Plans and in Article I of this Declaration. "Condominium Unit" includes the undivided interest in the Common Areas and Limited Areas appertaining to such unit.

(j) "Condominium Property" shall mean the parcel of real estate in Marion County, Indiana, described in Exhibit "A" of the Original Declaration and incorporated herein and its appurtenant easements, the Condominium Units, the Buildings, garage improvements and property of every kind and nature whatsoever, real, personal and mixed, located upon the parcel and used in connection with the cooperation, use, and enjoyment of The Villas of Winding Ridge, but does not include the personal property of Owners.

(k) "Declaration" shall mean this Declaration and any amendment thereto.

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(l) "Fiscal Year" shall mean the fiscal year of the Association, which shall be the calendar year.

(m) "Limited Common Area" shall mean any part of the Common Areas which is restricted to the use of one Unit, or to a designated group of Units to the exclusion of other Units.

(n) "Mortgagee" shall mean the holder, insurer or guarantor of any first mortgage on a Unit.

(o) "Owner" or "Unit Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to a Condominium Unit. The use of any gender-specific noun or pronoun shall mean and refer to members of both sexes.

(p) "Owner in Good Standing" means a Unit Owner who is current on the payment of Annual and Special Assessments.

(q) "Percentage Interest" shall mean the percentage of undivided interest in the fee simple title to the Common Areas and Limited Areas appertaining to each Condominium Unit as specifically expressed in Article I of this Declaration.

(r) "Percentage Vote" means the vote for each Condominium Unit and the Owner thereof and shall be the same percentage as the Percentage Interest appertaining to each Condominium Unit.

(s) "Special Assessment" means the Common Expenses assessed to the Unit Owners, proportionately in accordance with their respective Percentage Interest in the Common Areas, made for any unusual and/or extraordinary items, as further provided in the By-Laws.

ARTICLE I

DESCRIPTIONS AND ESTABLISHMENT OF FREEHOLD ESTATES

Section 1.1. Description. Condominium Units ("Units") are hereby established on the Condominium Property as shown on the Plans for the Condominium, as recorded in the office of the Recorder of Marion County, Indiana, as Instrument No. 1998-0194807. Such Plans are incorporated herein by reference. Each Condominium Unit is identified on the Plan by a unit number.

Section 1.2. Establishment of Freehold Estates. Each Unit is hereby established as a separate freehold estate as used herein, Unit shall mean a "condominium unit" as defined under the Act.

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Section 1.3. Appurtenances. Each Condominium Unit shall consist of all space within the boundaries thereof, as hereinafter defined, and all portions of the Building situated within such boundaries, including but not limited to all fixtures, facilities, utilities, equipment, appliances, and structural components designed and intended solely and exclusively for the enjoyment, use and benefit of the Condominium Unit wherein the same are located, or to which they are attached, but excluding therefrom that designed or intended for the use, benefit, support, safety or enjoyment of any other Condominium Unit or which may be necessary for the safety, support, maintenance, use, and operation of any of the Buildings or which are normally designed for common use; provided, however, that all fixtures, equipment, appliances, and cabinets designed or intended for the exclusive enjoyment, use and benefit of a Condominium Unit shall constitute a part of such Condominium Unit, whether or not the same are located within or partly within the boundaries of such Condominium Unit. Also, the interior sides and surfaces of all doors and windows in the perimeter walls of a Condominium Unit, whether or not located within or partly within the boundaries of a Condominium Unit, and all interior walls and all of the floors and ceilings within the boundaries of a Condominium Unit, are considered part of the Condominium Unit.

Section 1.4. Boundaries of Units. The boundaries of each Unit shall be as shown on the Plans, without regard to the existing construction, measured between the interior unfinished surface of the floors, ceilings and perimeter walls of each Unit. In the event any horizontal or vertical boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or ceiling surface of the Unit because of construction, or for any other reasons, the boundary lines of each Unit shall be deemed to be and shall be treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment, as in accordance with the actual existing construction and/or condition. In such case, permanent easements for this exclusive use shall exist in favor of the Owner of each Unit in and to such space lying outside of the actual boundary line within the appropriate wall, floor or ceiling surfaces of the Unit. Any apparatus, res, mains, wires, or other items which extend beyond the boundaries of a Unit, but which serve solely that Unit, shall be deemed a part of the Unit and appurtenant thereto, and title thereto and the responsibility for maintenance thereof, shall pass with the Unit.

Section 1.5. Common Areas. "Common Areas" shall mean (1) the tract, (2) the foundations, columns, girders, beams, supports and exterior surfaces of roofs of the buildings, (3) the yards, gardens, sidewalks and parking areas, except to the extent the same are otherwise classified and defined herein a part of the Condominium Unit or Limited Areas, (4) central electricity, gas water, air conditioning and sanitary sewer serving the buildings (including those located in the interior of the building), if any, unless separately metered to a particular Condominium Unit, (5) exterior lighting fixtures and electrical service lighting the exterior of the buildings unless separately metered to a particular Condominium Unit, (6) pipes, ducts, electrical wiring and conduits and public utilities lines which serve more than one Condominium Unit, (7) all streets that are not dedicated, (8) floors, roofs and exterior perimeter walls of the buildings,

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except to the extent the same are otherwise classified and defined herein as part of the Condominium Unit or Limited Areas, (9) recreational facilities, and (10) all facilities and appurtenances located outside of the boundary lines of the Condominium Units, except those areas and facilities expressly classified and defined herein as Limited Areas or as part of the Condominium Unit.

The Board of Directors shall promulgate reasonable rules and regulations concerning the use and enjoyment of the Common Areas, and each Owner by acceptance of a deed to a Unit shall be bound by the rules and regulations.

Section 1.6. Ownership of Common Areas and Percentage Interest. Each Owner shall have an undivided interest in the Common Areas and Limited Areas, as tenants in common with all other Owners, equal to his Unit's percentage interest. At all times, the Percentage Interest shall be equal to one (1) divided by the total number of all of the Condominium Units which constitute The Villas at Winding Ridge. Except as otherwise provided or permitted herein, the Percentage Interest appertaining to each separate Condominium Unit in the Common Areas and Limited Areas shall be of a permanent nature and shall not be altered without the unanimous consent of all of the Owners and Mortgagees.

Section 1.7. Limited Common Areas.

(a) Limited Common Areas and those Condominium Units to which use thereof is limited are as follows. The Limited Common Areas shall not be altered, diminished, or enlarged by any custom or practice of the Unit Owners and their neighbors. Limited Common Areas shall not be construed or interpreted to be separate and apart from Common Areas, but shall only be limited with respect to the reserved use thereof to one or more Units.

(b) Each of the patios attached to or serving a Unit shall be a Limited Common Area and shall be reserved for the use of the Owner of the Unit and his family, lessees and invitees. The Owner of the Unit for whose use such patio is reserved shall be responsible for the maintenance and upkeep of the same. The Unit Owner may not construct any fence around any such patio until he or she has secured approval from the Association, which consent may be withheld for any reason. Even if consent is given for a fence, the Unit Owner shall be responsible for the maintenance of and for keeping the fence in a good and sightly condition.

(c) Any driveway going to a Unit or a garage attached to the Unit shall be a Limited Common Area for the benefit of such Unit Owner, provided that if the driveway serves more than one Unit, then such driveway shall be a Limited Common Area for the use of the Owners of each of the Units so served. Driveways, however, shall be maintained by the Association, and the use thereof shall be subject to any Rules and Regulations adopted by the Association.

Pursuant to IC 36-2-7

(d) Any other areas designated and shown on the Plans as Limited Areas shall be limited to the Condominium Unit or Condominium Units to which they appertain as shown on the Plans.

Section 1.8. Encroachments and Easements for Common Areas.

If, by reason of the location, construction, settling or shifting of a Building, any Common Area or Limited Area now encroaches or shall hereafter encroach upon any Condominium Unit, then in such event, an easement shall be deemed to exist and run to the Co-owners and the Association for the maintenance, use and enjoyment of such Common Area or Limited Area.

Each Owner shall have an easement in common with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities located in any of the other Condominium Units and serving his Condominium Unit.

Each Owner shall have the right of ingress and egress from such Owner's Condominium Unit with such right being perpetual and appurtenant to the ownership of the Condominium Unit, subject to reasonable rules and regulations concerning parking and speed limits as may be adopted by the Board of Directors.

Section 1.9. Supplemental Plot Plans. The Association shall have the right, at any time and from time to time, to cause to be prepared and filed of record, supplements to the Site Plan of the Condominium in order to show the location of driveways, parking areas, other land improvements, underground pipes, conduits or lines, utility lines, mains and easements, and the location of any other improvements located in the Condominium, for the purpose of establishing of record their location and the fact of their existence. No Supplemental Site Plans shall adversely affect any rights of a Unit Owner without the Unit Owner's consent thereto, unless the same corrects a manifest error, or is expressly permitted in this Declaration.

Section 1.10. Alterations, Additions and Improvements. No Owner shall make any alterations or additions to or which would affect the Common Areas or Limited Areas without the prior written approval of the Board of Directors, nor shall any Owner make any alteration in or to his respective Condominium Unit and within the boundaries thereof which would affect the safety or structural integrity of the Building in which the Condominium Unit is located nor shall any Owner change the color of any of the Common Areas or Limited Areas without the prior written approval of the Board of Directors.

No Unit shall be partitioned or subdivided without the prior written approval of the Board, the Mortgagee of such Unit, and a majority of the Unit Owners. No two (2) or more Units shall be consolidated into one Unit.

ARTICLE II

ASSOCIATION

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Section 2.1. Association. Subject to the obligations of the Owners, the maintenance, repair, upkeep, replacement, administration, operation and management of the Condominium shall be by The Villas at Winding Ridge Owners Association, Inc., a corporation organized as a not-for-profit corporation under the laws of the State of Indiana ("Association") or by the management agent selected by the Board of Directors of the Association. The Association shall have the power and authority to do anything not prohibited by the Act or by this Declaration or the By-Laws which it believes to be in the best interest of the Unit Owners, whether or not such power is expressly conferred upon it herein.

Section 2.2. Association of Owners. Each Owner of a Unit shall, automatically upon becoming the Owner of the Unit, be a member of the Association until such time as his ownership ceases for any reason. Membership in the Association shall be an appurtenance to each Unit in the Condominium and shall pass with the conveyance of the Unit to each successive Owner. Each Unit Owner by the acceptance of a deed or other instrument evidencing his ownership interest, shall accept membership in the Association, and shall be subject to the power and authority of the Association. Members shall be all Owners. Each member shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

Section 2.3. Board of Directors. The Members shall elect a Board of Directors of the Association annually as prescribed by the By-Laws. The Board of Directors shall be the governing body of the Association, representing all of the Owners in providing for the management, administration, operation, maintenance, repair, replacement and upkeep of the Condominium Property exclusive of the Condominium Units.

Section 2.4. Compliance with Documents and Rules and Regulations. The Association, through its Board of Directors, shall have the power to promulgate for the common benefit of all Unit Owners reasonable rules and regulations governing the use of the Condominium including all Common Areas and including the imposition of reasonable rules and regulations which may limit the use of a Unit by Unit Owners. Each Owner, tenant or occupant of a Unit and their guests and invitees shall comply with the provisions of the Declaration, the By-Laws, the rules and regulations, and decisions of the Association or its representatives, as may be lawfully amended from time to time.

Section 2.5. Delegation by Association. Nothing in this Declaration shall limit the discretion of the Board of Directors of the Association to delegate authority to any officer or a management agent.

Section 2.6. Professional Management. The Association shall contract with a reputable management company for the provision of accounting, bookkeeping and Directorial services to include the preparation of, notices for and collection of all assessments, the preparation of

notices for all meetings or of any other kind required by this Declaration, and the performance of such other services as the Board of Directors may designate. The expenses for such Directorial services shall be a Common Expense. Any contract with a management agent shall have a maximum term of one (1) year at a time, although such contract may be renewed from year to year, and shall be subject to termination by the Association at any time for cause.

Section 2.7. Property and Debt by the Association. The Association, through the Board of Directors, may purchase real property and take title thereto in its corporate name. All such real property although owned by the Association, shall be treated under the terms of this Declaration as if it were part of the Common Areas and shall be subject to the rules and regulations of the Association. The Association may mortgage or encumber any of the real property it owns, and may incur debt with respect to its real property or otherwise, as it may deem to be in the best interest of the majority of the Unit Owners. Any costs or expenses incurred by the Association, including an obligation to make debt payments and other obligations, shall be treated as part of the Common Expenses of the Condominium. Such expenses shall be included in the Annual Budget and in any necessary Supplemental Budget, and shall be used in determining the Annual Assessment and any Special Assessments to the Unit Owners, to the same extent as any other expenses and obligations of the Association and of the Condominium.

Section 2.8. Condemnation Proceedings. The Association shall have the exclusive right to represent the Unit Owners in any Condemnation Proceedings and to adjust any losses and handle all proceeds from insurance or any settlement funds resulting from damage or destruction to the Condominium.

Section 2.9. Control of Common Areas. The Association shall have the right to establish rules and Regulations governing the Common Areas and grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes necessary or reasonably appropriate for the proper operation of the Condominium. The Association, through its Board of Directors, shall have the right to enter into agreements governing the use of the Lake abutting the Condominium with any adjoining landowners.

Section 2.10. Condominium Documents and Records. The Association shall keep current copies of a) this Declaration, b) the By-Laws, c) all rules and regulations, and d) its own books, records and financial statements, and shall make them available for inspection by the Unit Owners, and by holders, insurers and guarantors of first mortgages that are secured by Units in the Condominium, during normal business hours or under other reasonable circumstances as provided by the Indiana Nonprofit Corporation Act of 1991 and any amendments thereto.

ARTICLE III

USE RESTRICTIONS

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Section 3.1. Residential Purposes. All Units in the Condominium shall be, and the same hereby are, restricted exclusively to residential use. No structures of a temporary character, nor any trailer, basement, tent, shack, carport, garage, barn or other outbuilding, shall be used as a residence on any portion of the Condominium Property at any time, either temporarily or permanently, and no temporary structure, trailer, shack or outbuilding shall be placed on the Condominium Property at any time without the prior written consent of the Association. Nothing shall be done or permitted in any Unit which would structurally change any building, or affect any Common Areas or plumbing, electrical, mechanical or other services or systems, unless first approved in writing by the Association.

The use restrictions in this Section 3.1 shall not, however, be construed in such a manner as to prohibit a Unit Owner from: (i) maintaining his personal professional library therein; (ii) keeping his personal business or professional records or accounts therein; (iii) handling his personal business or professional telephone calls or correspondence therefrom; or (iv) conducting any home occupation permitted under the applicable zoning code in residential districts. Such uses are expressly declared to be incident to the principal residence use and not in violation of this Section 3.1, provided that such use does not involve customers, employee, licensees or invitees coming to the unit.

Section 3.2. Leasing of Residences. No more than thirteen (13) Units, at any given time, may be leased or rented for exclusive occupancy by one or more non-owner occupants. Prior to entering into a lease, the Unit Owner shall submit the form of the proposed lease to the Board for prior approval. All leases, including renewals, shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior approval of the Board of Directors. All leases must comply with the additional restrictions set forth in the By-Laws.

Section 3.3. Use. Any Unit Owner may authorize the following persons to use the Common Areas and facilities: members of his family, guests while residing with or visiting the family, his duly authorized tenants, or contract purchasers who reside on the property, subject to the rules and regulations adopted by the Board of Directors for the Association.

Section 3.4. Rights of Unit Owners. Every Unit Owner shall have the non-exclusive right in common with all other Unit Owners to the use and enjoyment in and to the Common Areas, other than Limited Common Areas, and such rights shall pass with the title to his Unit, subject to the following rights which are hereby granted to the Association:

(a) The right of the Association to charge reasonable admission, maintenance, and other fees for the use of any facilities situated upon the Common Areas, and to make other charges as herein provided.

(b) The right of the Association to suspend the voting rights and right to use Common Areas by any Unit Owner other than access to his or her Unit for any period in

which any assessment against his Unit remains unpaid, and for a period not to exceed sixty (60) days for any or each infraction of its rules or regulations.

(c) The right of the Association to dedicate, transfer or grant rights-of-way and easements over or through all or any part of the Common Areas to any public agency, authority, utility, and to grant easements to private persons.

(d) The right of the Association to restrict portions of the Common Areas for parking, or for other uses, so long as such restrictions do not discriminate among the Unit Owners.

(e) The right of the Association to adopt reasonable rules and regulations governing the use of the Common Areas, or which otherwise are deemed by it to be for the common good of the Unit Owners.

ARTICLE IV

ASSESSMENTS

Section 4.1. Common Expenses. Common Expenses shall include all expenses of the Association and the expenses of administration, expense of insurance, maintenance, upkeep, operation, repair, replacement and betterment of the Common Areas; rent, maintenance and other costs relating to recreational or common facilities; and any other costs or expenses declared to be Common Expenses under this Declaration and the By-Laws; and any other valid charges against the Condominium Property as a whole or which are duly adopted by and voted on by the Association. Common Expenses shall include those expenditures which are to be paid for by special assessments, as well as all other expenditures lawfully voted by the members of the Association, or as required by the Act, this Declaration or the By-Laws, and may include capital expenses and also other unusual or non-recurring items.

Section 4.2. Sharing of Common Expenses. Subject to the provisions of Section 4.5 below, all of the separate Unit Owners shall share in any common profits and be liable for a share of the Common Expenses in proportion to their Percentage Interest in the Common Areas. The Board of Directors of the Association may vote to round off any monthly assessments of Common Expenses Assessed against each Unit to the nearest even multiple of One Dollar ($1.00).

Section 4.3. No Exemptions. No Owner of a Unit may exempt himself or herself from liability for his or her contribution towards the Common Expenses by waiver of the use and enjoyment of any of the Common Areas or by the abandonment of his Unit.

Section 4.4. Budget. A budget of all anticipated Common Expenses, including capital expenditures and reserves, shall be prepared for each Fiscal Year of the Association. Such budget shall be prepared in time so that it can be reviewed by the Unit Owners in advance of the Annual Meeting of the Association as provided in the By-Laws.

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Section 4.5. Assessments. Common Expenses shall be assessed against Unit Owners as provided in the By-Laws.

Section 4.6. Reserve for Contingencies and Replacements. The Board shall build up and maintain reasonable reserves for contingencies and replacements, which reserves shall be administratively segregated from the other funds of the Association. The replacement reserve may not be used for any purpose other than the maintenance, replacement of or additions to the property of the Condominium. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged against the contingency reserve.

The Board of Directors shall have the discretion and authority to further separate the reserve funds into separate federally insured interest-bearing accounts or to invest the funds into other federally insured investment products. The Board of Directors shall promulgate and adopt a financial policy for the investment of reserve funds and such policy may be amended by a majority vote of the Directors.

If the estimated cash requirement proves inadequate for any reason or in the event a non-recurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or non-recurring expense for the remainder of such year. Copies of any supplemental budget shall be furnished to each Unit Owner. Then a separate assessment shall be made to each Unit Owner for his or her proportionate share of such supplemental budget. All Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. Such separate assessment may be made by the Board of Directors unless it involves proposed expenditures resulting in a total payment assessed to a Unit greater than four times a Unit's most recent monthly assessment, in which event the assessment shall be subject to approval by the Unit Owner as a Special Assessment pursuant to Section 5.05 of the By-Laws.

Section 4.7. Working Capital Fund. Each purchaser of a Unit shall make a deposit for working capital of the Association equal to three (3) monthly installment payments of the Annual Assessment.

ARTICLE V

MAINTENANCE, REPAIRS AND REPLACEMENTS

Section 5.1. Maintenance, Repairs and Replacements. Each Owner shall, at his expense, be responsible for the maintenance, repairs, decoration and replacement within his own Condominium Unit and to the extent provided in this Declaration or the By-Laws for the Limited Areas reserved for his use. Each Owner shall repair any defect occurring in his Condominium Unit which, if not repaired, might adversely affect any Condominium Unit, Common Area or Limited Area. Maintenance, repairs, replacements and upkeep of the Common Areas and

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Limited Areas shall be furnished by the Association as part of the Common Expenses, except as otherwise provided herein or in the By-Laws.

The Board of Directors shall adopt rules and regulations concerning maintenance, repairs, use and enjoyment of the Common Areas and Limited Areas as it deems appropriate, and may amend and modify the same from time to time as it deems advisable, necessary or appropriate.

The Board of Directors, or their designated agent, shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency in which case no notice shall be required), to enter into each individual Condominium Unit for the purpose of inspection of the Common Areas and Limited Areas appurtenant thereto and replacement, repair and maintenance of such Common Areas and Limited Areas.

Section 5.2. Maintenance by Unit Owners. Each Owner shall furnish and be responsible for, at his or her own expense, all the maintenance, repairs and replacements within his Unit, and any Limited Common Areas the exclusive use of which is limited to that Unit, unless otherwise provided herein, including the heating and air conditioning system. Maintenance, repairs and replacements of the refrigerators, ranges, and other kitchen appliances, air conditioning, lighting fixtures, windows, doors, sills, jams, frames, glass surfaces, partitions and interior walls, wall coverings, fixtures, internal water, electrical, gas and telephone lines, and other improvements and additions to the Unit shall be at the expense of the Unit Owner. If, due to the negligent act or omissions of a Unit Owner or of a member of his family or household pet or of a guest or other occupant or visitor of such Unit Owner, damage shall be caused to the Common Areas or to a Unit owned by others, and if maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or any Common Areas, then the use thereof by the Owner of such Unit shall be subject to the rules and regulations of the Association. The authorized representatives of the Association or Board of Directors or the Managing Agent for the Association, shall be entitled to reasonable access to any Unit as may be required in connection with inspection, maintenance, repairs or replacements of or to the Common Areas or any part thereof, or any equipment, facilities or fixtures affecting or serving other Units or any Common Areas. If any Unit Owner shall fail to perform any maintenance which in the judgment of the Association is his obligation or shall fail to keep his Unit and any Limited Common Areas required to be maintained by such Unit Owner in good order and repair, the Association shall have the right to perform such maintenance and/or otherwise to put such Unit and areas in good order and repair and to charge the Unit Owner all costs thereof. All charges by the Association to a Unit Owner shall be a lien on such Unit to the same extent as delinquent installments of an Assessment.

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Section 5.3. Maintenance of Common Areas. The Association shall be responsible for the maintenance, repair and replacement of all the Common Areas of the Condominium and all private streets located on the Condominium Property, except as may be otherwise herein provided. The Association shall also be responsible for such maintenance, repairs and replacements in the Common Areas as may be required for the bringing of utility services to the Units and to keep such services operating. All maintenance, repairs and replacements required of the Association shall be a Common Expense. However, the Association may provide that all or certain of the Limited Common Areas shall be maintained by the Unit Owners rather than the Association.

Section 5.4. Maintenance Obligations of Association With Respect To Units. The Association's rights and obligations with respect to the maintenance of Units shall be as follows:

(a) The Association shall repair and restore any damage it may have done resulting from access and any activities within any portion of a Unit by the Association or its agents and employees. The cost of all such repairs by the Association shall be charged as a Common Expense and pro-rated among all the Unit Owners, except to the extent that such repair work is caused by or necessitated by the negligence of a Unit Owner or a member of his family, or his guests or invitees, in which case the Unit Owner shall be obligated to reimburse the Association for the cost of such repairs.

(b) The Association may permit its employees and agents to perform repair and service work in and to a Unit provided the same services are generally available to all Unit Owners. The Association may make reasonable charges for such services and/or it may wholly prohibit or otherwise restrict the rendering such services.

Section 5.5. Decorating. The Owner of each Unit shall furnish and be responsible for, at his own expense, all of the decorating within his Unit, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. The Owner of each Unit shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, and such Owner shall maintain such interior surfaces in good condition at his sole expense.

Decorating of Common Areas and any redecorating of a Unit to the extent made necessary by any damage or replacement work on the Common Areas by the Association shall be furnished by the Association as a part of the Common Expenses.

Section 5.6. Utility Services. Each Owner by acceptance of a deed to a Unit agrees to pay for utility services separately metered or separately charged by the utility company to that Unit. All other utility costs shall be common expenses and paid by the Association.

ARTICLE VI

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RIGHTS AND LIABILITIES OF UNIT OWNERS

Section 6.1. Separate Mortgages of Units. Each Owner of a Unit shall have the right to mortgage or encumber his Unit together with his Percentage Interest in the Common Areas. No Owner of a Unit shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the Condominium Property or any part thereof except his own Unit and its Percentage Interest in the Common Areas as aforesaid. Any successor to a Unit, whether by foreclosure or otherwise, shall have the rights with respect to Limited Common Areas which are assigned to that Unit.

Section 6.2. Separate Real Estate Taxes. Real estate taxes are to be separately taxed to the Owner of each Unit, including taxes upon his or her share of ownership in the Common Areas, as provided in the Act. If for any year such taxes are not separately taxed to the owners of the Units, but are taxed on the property as a whole, then each Unit Owner shall pay his or her proportionate share thereof in accordance with his or her respective Percentage Interest in the Common Areas.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 7.1. Alterations. No Unit Owner shall make any alterations or additions to or which would affect the Common Areas or Limited Common Areas without the prior written approval of the Association, nor shall any Unit Owner make any alteration in or to his Unit and within the boundaries thereof which would affect the safety or structural integrity of, or any systems serving, the building in which the Unit is located.

Section 7.2. Construction. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Condominium Property nor shall any exterior addition to or change or alteration be made to any improvements on the Condominium Property until the plans and specifications showing the nature, kind, shape, height, material and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Association. The Association may impose reasonable restrictions on the manner of performance of such work, time limits for its completion, and other restrictions or requirements, either as a condition of its approval, or otherwise. The Association may also require any such work to be done by a bonded and insured contractor. If the Association fails to approve or disapprove such work within sixty (60) days after adequate plans and specifications for such work have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. A determination as to whether plans or specifications are adequate is in the sole discretion of the

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Board of Directors. Any change in the appearance or the color of any part of the exterior of a Unit shall be deemed a change thereto and shall require approval therefor as above provided.

ARTICLE VIII

INSURANCE

Section 8.1. Insurance. The Unit Owners, through the Association, shall purchase a master casualty insurance policy, using generally acceptable insurance carriers, issued in the name of the Association for the use and benefit of the Unit Owners and the Association affording fire and extended coverage insurance insuring the Condominium Property for the full replacement value of the improvements which, in whole or in part, comprise the Common Areas and Limited Common Areas, and also including the value of the exterior walls from the unfinished drywall outward and all other exterior improvements to the Units, including doors, windows and roofs. If deemed advisable by the Board of Directors, the Board of Directors may cause such full replacement value to be determined by a qualified appraiser and any such appraisal shall be a Common Expense.

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. The Association shall advise the Unit Owners annually in writing of the amount and type of insurance coverage with respect to the several Units. Certificates of insurance shall be issued to each Unit Owner and each mortgagee upon request, and no such policy shall be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each mortgagee listed as a mortgagee in the policies.

If the Association can obtain such coverages for reasonable amounts it may also obtain "all in" coverage, Inflation Guard Endorsement, a construction code endorsement and a Special Condominium Endorsement. The Association 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.

Such insurance coverage shall be for the benefit of the Association, each Unit Owner, and, if applicable, the mortgagee of each Unit, upon the following terms and conditions:

All proceeds payable as a result of casualty losses sustained, which are covered by insurance purchased by the Association as hereinabove set forth, shall be paid to it and the Association shall act as the insurance trustee and hold such proceeds for the benefit of the Unit Owners. The proceeds shall be used or disbursed by the Association or Board of Directors, only in accordance with the provision of this Declaration and any surety bond or bonds obtained by

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the Board concerning the officers or Directors of the Association, which shall specifically include protection for any insurance proceeds so received.

In the event that the Board of Directors has not posted a surety bond for the faithful performance of their duties as such Board or if such bond does not exceed the amount of funds which will come into its hands, and there is a damage to a part of or all of the property resulting in a loss, the Board of Directors shall obtain and post a bond for the faithful performance of its duties as insurance trustee in an amount equal to one hundred ten percent (110%) of the proceeds resulting from such loss, before the Board of Directors shall be entitled to receive the proceeds of the insurance payable as a result of such loss. As hereinafter provided the Association may utilize the services of an independent insurance trustee in which event it shall not be required to post a bond. The sole duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their respective mortgagees. The proceeds shall be used or disbursed by the Association, as appropriate, only in accordance with the provisions of this Declaration.

The interest of each damaged owner in the trust fund of insurance proceeds shall be the ratio of the direct damage of each damaged owner to the damages of all Owners directly damaged by any event insured under the said master casualty insurance policy. The Association shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Association to act for an on behalf of the Owners for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability and the performance of all other acts reasonably necessary to accomplish such purposes.

Such master casualty insurance policy, and "all in" coverage if obtained, shall (to the extent the same are obtainable on reasonable terms) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Association, its Board of Directors, agents and employees, the Unit Owners, and their respective agents and guests, and (b) waives any defense based on the invalidity arising from the acts of the insured, and (c) contains an endorsement that such policy shall not be terminated for non-payment of premiums without at least ten (10) days prior written notice to mortgagees and to the Association 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 as hereinafter permitted, (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 Owners do not elect to restore, and (iii) an agreed amount endorsement or an inflation guard endorsement to the extent such are commonly required by prudent institutional mortgage investors in the metropolitan Indianapolis area.

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The Unit Owners, through the Association, 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; however, 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 occurrence. Such comprehensive public liability insurance policy shall cover the Association, its Board of Directors, committees, organizations, any managing agent appointed or employed by the Association, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Condominium, all Owners of Units and if practicable all other persons entitled to occupy any Unit or other portions of the Condominium. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas; and, if available at a reasonable premium, legal liability arising out of lawsuits related to employment contracts of the Association. Such policy shall also provide that it may not be cancelled or substantially modified by any party without at least ten (10) days' prior written notice to the Association and to each Unit Owner and holder of a first mortgage on any Unit which is listed as a scheduled holder of a first mortgage in the insurance policy.

The Association shall have a blanket fidelity bond covering anyone who either handles or is responsible for funds that it holds or administers, whether or not that person receives compensation for services. The bond should name the Association as the obligee and the premiums therefor shall be paid as common expenses. The fidelity bond shall cover the maximum amount of funds that will be in the custody of the Association or its Management Agent (if the Management Agent does not carry its own bond for at least such amount) at any time while the bond is in force. Such bond shall include a provision that calls for ten (10) days' written notice to the Association before the bond can be cancelled or substantially modified for any reason.

The Association, and the Unit Owners through the Association, shall also obtain any other insurance required by law to be maintained. The Association may also obtain any other insurance that it shall from time to time deem necessary, advisable or appropriate, including but not limited to, liability insurance on any vehicles owned by the Association and officers' and Directors' liability policies. Such insurance coverage shall provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Unit Owner, the Association, its Board of Directors and any employee, agent and managing agent acting on behalf of the Association. Each Unit Owner shall be deemed to have delegated to the Association his right to adjust with the insurance companies all losses under policies purchased by the Association.

The premiums for all insurance carried by the Association shall be paid for as part of the Common Expenses. When any such policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Unit Owner whose interest may be

affected thereby, which notice shall be furnished by an officer of the Association or the managing agent.

In no event shall any distribution of insurance proceeds be made by the Association directly to a Unit Owner where there is a mortgage endorsement on the certificate of insurance. In such event any remittances shall be to the Unit Owner and his mortgagee jointly.

Each Owner shall be solely responsible for loss or damage to the contents of his Condominium Unit however caused (including, but not limited to, all floor, ceiling and wall coverings and fixtures from the drywall inward, light fixtures, appliances and betterments and improvements installed by him or by a prior Owner of the Unit) and his personal property stored elsewhere on the Property, and the Association shall have no liability to the Owner for loss or damage to the contents of any Condominium Unit. Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk. Each Owner shall have the right to purchase such additional insurance at his expense as he may deem necessary, including but not limited to: (1) personal liability insurance provided all such insurance shall contain the same provisions for waiver of subrogation as referred to in the foregoing provisions for the master casualty insurance policy to be obtained by the Association, and (2) casualty insurance upon his Condominium Unit but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Association pursuant to this paragraph due to proration of insurance purchased by an Owner under this paragraph, the Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Association to be distributed as herein provided.

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, an authorized representative, including any trustee with whom the Association may enter into an insurance trust agreement or any successor to such trustee who shall have such authority as may be delegated to it under the insurance trust agreement, including authority to hold all the proceeds payable under an insurance policy for the benefit of the Association, authority or even exclusive authority to negotiate losses under any one or more policies providing such property or liability insurance, and/or to perform such other functions as are necessary to accomplish the reasonable purposes of such trust. The Association may retain authority to negotiate losses even if an insurance trustee is appointed, and it may reserve authority to direct the actions of the insurance trustee in any manner consistent with the Association's obligations under this Declaration. Each Unit Owner appoints the Association or any trustee or substitute trustee designated by the Association as attorney-in-fact for the purpose of purchasing and maintaining such insurance, and for the following additional purposes:

(i) the collection and appropriate disposition of the proceeds thereof;

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(ii) the negotiation of losses and execution of releases of liability;

(iii) the execution of all documents; and

(iv) the performance of all other acts necessary to accomplish such purposes.

Section 8.2. Mandatory Condominium Unit Owner's Insurance. All Condominium Unit Owners are required to maintain, at their own expense, the appropriate form of condominium insurance (typically referred to as an HO-6 policy) to cover their wall coverings, floor coverings, personal property, betterments and improvements, comprehensive personal liability, Association deductible reimbursement (as set forth in Section 8.3 below), and loss assessment exposures. Each Owner's policy must include coverage for, but not be limited to, appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security, and housekeeping, even if any of said appliances are built-in. All coverage should be on a replacement cost basis. The Association must be listed on each Owner's policy as an Additional Insured.

Each Owner may, at his or her own expense, purchase such additional insurance as he or she may deem necessary. Each Owner shall be solely responsible for loss or damage to the contents of his or her Condominium Unit, however caused, and to his or her personal property stored elsewhere on the Villas at Winding Ridge property, and for his or her personal liability, but all such insurance shall contain the same provisions for waiver of subrogation as referred to in Section 8.1 above relating to the master casualty insurance policy to be obtained by the Association. Each Owner may obtain additional casualty insurance at his or her own expense upon his Condominium Unit, but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Association.

Section 8.3. Liability for Association's Deductible.

All insurance claims covered by the Association's master casualty insurance policy carry a deductible in an amount determined by the Board. Notwithstanding anything else contained in this Declaration or the By-Laws, liability for the amount of damage within the limits of any applicable insurance deductible on a policy of insurance issued to the Association shall be in the following manner:

(a) Where the damage results from a negligent or intentional act or omission by the Owner, that Owner's tenant, family, servant, employee, agent, visitor or licensee of that Owner or tenant, or from the failure to maintain any portion of the Owner's property, including any appliance, equipment, or fixture in the Owner's Unit, that Unit Owner is responsible for said deductible.

(b) Except as provided in sub-paragraph (a) above, or where the damage is a result of the sole fault of the Association, if the damage involved is limited solely to one Owner's

Condominium Unit or the Limited Areas assigned to that Owner's Condominium Unit, such Owner is responsible for said deductible.

(c) Except as provided in sub-paragraphs (a) and (b) above, or where the damage is a result of the sole fault of the Association, if the damage involves both the Common Areas and/or one or more Condominium Units or the Limited Areas assigned to a Condominium Unit or Units, the deductible shall be pro-rated between the Association and any involved Owners in proportion to the relative amounts of damage to the Common Areas and to each of the affected Condominium Units, including the Limited Areas assigned to such Condominium Unit or Units.

All decisions and determinations to be made under sub-paragraphs (a-c) above shall be by the Association's Board of Directors, and the same shall be final and binding as between the Association and the affected Owners.

Each Owner is responsible for verifying with his or her own insurance agent that the Owner's share of any such Association deductible is covered under his or her own Condominium Unit Owner's insurance policy (assuming the deductible is not assessed as part of the Common Expenses allocable to all Owners). The Owner should pay particular attention to the portion of his or her HO-6 policy which is typically called "Coverage A--Building Property" to ensure that there is sufficient coverage for the Owner's possible share of the Association's deductible. Any portion of such a deductible which has been assessed to a particular Owner's account will be subject to the same collection procedures as provided in this Declaration and the By-Laws for Assessments.

Section 8.4. Casualty and Restoration. Unless all of the buildings containing Units are completely destroyed, in the event of any damage or destruction of Units or Common Areas, the damage shall be repaired and paid for, to the extent available, from the proceeds of insurance carried by the Association. A determination of the total destruction of the buildings containing Condominium units, and thereafter a vote to reconstruct the damaged Units, shall each be determined by the Board of Directors unless prohibited by law. Where the Association is to repair and restore any such damage or destruction, it shall cause all Common Areas to be repaired, and shall cause the Units to be repaired and restored to the same condition they were in prior to such damage or destruction, except that the Association shall not be obligated to provide painting of walls or providing other wall finishes, floor covering, other than subfloor, nor for painting ceilings or application of other ceiling finish, except to the extent the Association collects insurance proceeds for those items. The individual Unit Owners shall be responsible for replacing their property within their Units, together with the responsibility for replacing fixtures and improvements within their Units to the extent they exceed the building standard at the time of original construction. The Unit Owners shall also be responsible for any additional loss or damage to their personal property and to the contents of their Units. The Association shall be responsible for repairing and restoring the walls, floors and ceilings of any and all Common Areas and Limited Common Areas that may be damaged or destroyed, and also for installing

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walls, floors and ceilings within the Units, and to improvements made on Common Areas by any of the Unit Owners, to the extent that there are insurance proceeds payable therefor to the Association.

Section 8.5. Restoration and Repair; Use of Insurance Proceeds. The Association may advertise for open or sealed bids, or may negotiate privately without seeking competitive bids, with licensed contractors for any repair or restoration. The Association may reject any bids for any reason and it may further negotiate with any bidder. Unless the Association shall otherwise determine the successful contractor shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings, and/or other improvements. Excess insurance proceeds, if any, shall become a part of the Association's general funds to be used as the Association may deem to be appropriate.

Section 8.6. Assessment of Unit Owners if Insurance Proceeds are Inadequate. If any buildings are to be repaired or restored, and if the insurance proceeds are inadequate to pay the complete cost of such repair or restoration required of the Association, Special Assessments shall be made against all the Unit Owners, in sufficient amounts to provide the funds necessary to complete such repair or restoration. Such Assessments may be made at any time and at more than one time, and to the extent so required shall not be subject to a vote of the Unit Owners. Assessments on account of such damage shall be in proportion to each Owner's Percentage Interest in the Common Areas.

Section 8.7. Allocation of Insurance Proceeds if No Repair or Restoration. If after the complete destruction of all of the buildings containing Condominium Units the destroyed buildings are not to be restored, then the insurance proceeds payable on account of the damage to or destruction of such buildings shall first be used to pay the cost of removing any portion of the buildings that remain after such casualty and of restoring the site. The balance of the funds on hand shall then be distributed to the Unit Owners and the holders of liens on the Units in accordance with the relative value of the Units immediately prior to the damage if permitted by law; otherwise in proportion to their percentage interest in the Common Areas. Pursuant to law the land shall revert to the Unit Owners as tenants in common.

In order to determine the relative values of the Units the Board of Directors shall, if necessary, select a qualified appraiser who shall determine the relative values of each Unit. The determination of the appraiser shall be binding upon all parties except that if any of the affected Unit Owners challenges the appraiser's determination, such Unit Owner, or Unit Owners if more than one collectively, shall appoint a qualified appraiser skilled in valuation of damage and destruction to dwellings and the two appraisers shall appoint a third appraiser, similarly skilled. The average of the calculations of the three appraisers shall determine the question of such value. In the event that an Owner or Owners of Units challenge the determination of the original appraiser, the expense of the appraisers not appointed by the Association shall be charged to such

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challenging Owner or Owners. The determination of the Board of appraisers shall be final and binding upon the Association and all affected Unit Owners.

ARTICLE IX

AMENDMENTS

Section 9.1. Amendment. Amendments to this Declaration shall be proposed and adopted in the following manner:

(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting of the Unit Owners at which proposed amendment is considered. Notice shall also be sent to any holder of a first mortgage on a Unit, which holder has requested the Association to notify it of any proposed amendment of the Articles or the Bylaws.

(b) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors or by not less than 5% of the Unit Owners. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly held in accordance with the provisions of the By-Laws.

(c) Approval. Any proposed amendment to this Declaration shall be approved by a vote of not less than fifty-one percent (51%) of the Unit Owners in Good Standing as defined in the By-Laws. If the proposed amendment or other action of the Unit Owners shall affect any of the actions set forth in subparagraph (d), then such action shall also require approval by at least 51% of the holders of first mortgages on such units who or which have requested that the Association notify them of any proposal action by the Association; ("Eligible Mortgagees").

(d) Any proposal to amend the Declaration or the Bylaws which shall affect a change and any of the following shall require approval by 51% of the Eligible Mortgagees on the units, namely:

(i) Voting rights;
(ii) Assessments, assessment liens, or the priority of assessment liens;
(iii) Reserves for maintenance, repairs or replacement of common areas;
(iv) Responsibility for maintenance and repairs;
(v) Reallocation of interest in the general or limited common areas, or rights to their use;
(vi) Redefinition of any Unit boundaries;
(vii) Convertibility of any Units and Common Areas or vice versa;
(viii) Expansion or contraction of the project, or addition, annexation or withdrawal of property to or from the project (except expansion as provided in Article XI hereof);

(ix) Insurance or fidelity bonds;
(x) Leasing of Units;
(xi) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
(xii) Any decision of the Association to establish self-management;
(xiii) Restoration or repair of the Condominium after hazard damage or condemnation;
(xiv) Any action to terminate the legal status of the condominium after substantial destruction or condemnation; or
(xv) Any provisions that expressly benefit mortgage holders, insurers or guarantors of Mortgages of any of the Units.

(e) If the Unit Owners shall consider termination of the legal status of the project for reasons other than substantial destruction or condemnation of the property, approval of sixty-seven percent (67%) of the Eligible Mortgagees shall be required. However, for purposes of subparagraphs (d) and this subparagraph (e), if an Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal sent to it or delivered by certified or registered mail with return receipt requested, or otherwise after it shall receipt for receipt of notice, then such Eligible Mortgagee shall be deemed to have approved the proposed action.

(f) Recording. Each Amendment to this Declaration and each Supplemental Declaration shall be executed by the President or a Vice President and Secretary or an Assistant Secretary of the Association, or by the Declarant if made pursuant to Declarant's reserved rights, and shall be recorded in the Office of the Recorder of Marion County, Indiana, and no such Amendment or Supplement shall become effective until recorded.

Section 9.2. Rights of Mortgagees.

(a) If any Mortgagee of a Unit shall so request in writing, identifying its interest in a Unit, it shall be given notice at least thirty (30) days prior to the effective date of any changes in the Condominium documents and ten (10) days' notice of any change in the management agent or Director of the Condominium, or any condemnation loss or any casualty loss which affects a material portion of the Condominium Property or the mortgaged Unit; and of any lapse of the Association's insurance policy or fidelity bond, or any action which requires consent of a specified percentage of eligible mortgage holders as specified in paragraphs (f) and (g) below.

(b) Unless all holders of first mortgage liens on individual Units of which the Association has been given notice, have given their prior written approval if they so request, the Association shall not:

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(i) Change the pro rata interest of any Unit for purposes of assessment, or change the Percentage Interest of any Unit.
(ii) Seek to abandon the Condominium status of the Condominium Property except as provided by statute in case of loss to the Units.

(c) Each Mortgagee which shall so request shall be entitled to written notice from the Association of any default by a Mortgagor of an individual Unit mortgaged to it in the performance of the Mortgagor's obligations under the Condominium documents and which is not cured within sixty (60) days. Nothing herein shall prohibit the Association from giving a Mortgagee notice of such a default at any time. Any Mortgagee which shall so request shall also be given a reasonable right to cure any default by the Unit Owner whose Unit is subject to such mortgage.

(d) The Association shall honor any powers of attorney given by any Unit Owner to his Mortgagee pursuant to its mortgage documents.

(e) In the case of fire or other casualty or disaster, other than complete destruction of all buildings containing the Units, the improvements shall be reconstructed substantially in accordance with the original plans and specifications so far as reasonably possible.

(f) No reallocation of interests in the Common Areas resulting from a partial condemnation or partial destruction of any part of the Condominium property without the prior approval of eligible holders holding mortgages on the remaining Units, and which have at least 51% of the votes of the mortgage holders of such mortgages.

(g) Any decision by the Owners or the Association to provide for self-management shall not be effective unless approved by the Owners of fifty-one percent (51%) of the Unit Owners in Good Standing as defined in the By-Laws and by fifty-one percent (51%) of the Mortgagees holding mortgages on any of the Units. for purposes of determining the votes of Mortgagees, each shall have one (1) vote per Unit on which they hold a mortgage.

ARTICLE X

GENERAL PROVISIONS

Section 10.1. Covenants and Restrictions. The covenants and restrictions applicable to the use and enjoyment of the Condominium Units and the Common Areas and Limited Areas are set forth in the By-Laws, including the limitation that each of the Condominium Units shall be limited to residential use. These 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 Association. Present or future Owners or the Association shall be entitled to injunctive relief against any violation or attempted violation of these provisions and shall be entitled to damages for any injuries resulting from any violations

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thereof, but there shall be no right of reversion or forfeiture of title resulting from such violation. The Association shall represent the Owners in any condemnation proceeding or any negotiation settlements or agreements with the condemning authority for acquisition of the common areas or any part thereof. In the event of a taking or acquisition of part or all of the Common Areas by a condemning authority, the award or proceeds of settlement shall be payable to the Association to be held in trust for the Owners and mortgagees as their interests may appear.

Section 10.2. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Condominium Units shall be subject to and shall comply with the provisions of this Declaration, the Act, the By-Laws appended thereto, 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 Condominium Unit shall constitute an agreement that the provisions of this Declaration, the Act, 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 Condominium Unit or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporations, partnerships, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Condominium Unit or Condominium Units or any part of the Property in any manner shall be subject to the Declaration, the Property in any manner shall be subject to the Declaration, the Act, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

Section 10.3. 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 or lessees, (including but not limited to damage caused by any pet or any vehicle) to the extent that such expense is not covered by the proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Condominium Unit or its appurtenances or of the Common Areas or Limited Areas.

Section 10.4. Disputes. Matters of dispute or disagreement between Unit Owners or with respect to interpretation of the application of the provisions of this Declaration or By-Laws or any Rules or Regulations promulgated by the Association, shall be determined by the Board of Directors of the Association, which determination shall be final and binding upon all Unit Owners. If the Association shall deem it to be advisable, it shall have the power to employ experts to advise it in the settling of disputes and to charge the cost thereof as a Common Expense.

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Section 10.5. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this or her Declaration, By-Laws, or any rules or regulations governing the Condominium Property. No delay or failure by the Association to enforce any covenant or restriction herein contained, in a Plat of any part of the Real Estate, the By-Laws of the Association, or any rules and regulations promulgated by the Board of Directors shall in any event be deemed a waiver of the right to do so or an estoppel of that party to assert any right available to it upon the occurrence, recurrence, or continuance of any such violation.

If a Unit Owner fails to make any payments required or fails to comply with any provisions of the Declaration, the Act, the By-Laws, or the rules and regulations adopted by the Association, as each may be amended from time to time, the Association shall be entitled to recover its costs and reasonable attorney's fees incurred in connection with default or failure regardless of whether the Association has initiated a proceeding or action against the Owner. Any such costs or fees shall also be a lien against the Unit on the date incurred by the Association.

Section 10.6. 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 Areas or Limited Areas or by abandonment of his Condominium Unit.

Section 10.7. Severability. Invalidation of any one of the provisions of this instrument or of the By-Laws by judgment or court order shall not affect the remaining provisions thereof and the same shall remain in full force and effect. Any provision of this Declaration that is determined to be in violation of or contrary to any law shall thereafter be interpreted so as to comply with the law in the manner that will be closest to the provisions of this Declaration so held invalid.

ARTICLE XI

EXTERIOR IMPROVEMENTS

Section 11.1. Prohibition on Exterior Improvements without Consent. No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or patio doors or placed on the outside walls of any Building, and no sign, awning, canopy, shutter or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any Building without the prior consent of the Board.

Section 11.2. Satellite Dishes. Satellite dishes that are one meter or less in diameter may be installed. Satellite dishes that are larger than one meter are prohibited. No more than one satellite dish may be installed by an owner. A mast, cabling, supports, guy wires, conduits, wiring, fasteners, or other accessories necessary for the proper installation, maintenance, and use

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of a dish shall be considered part of the "satellite dish" and the provisions hereafter. Satellite dishes must be installed within the Owner's exclusive-use area. For the Villas at Winding Ridge, the exclusive-use area, i.e., Limited Common Area, applicable to each Owner's Condominium Unit consists of the patio belonging to that unit. The exterior walls and roofs surrounding or adjacent to said exclusive-use areas are part of the community's Common Areas, and thus do not constitute any part of the Owner's exclusive-use area. Installation of antennas on a Limited Common Area does not convert that Limited Common Area to individual property. Satellite dishes must not encroach upon any Common Areas, any other Owner's individual Condominium Unit or Limited Common Area, or the air space of another Owner's Limited Common Area. Satellite dishes must be located in a place shielded from view from outside the community or from other Units to the maximum extent feasible. This section does not permit installation on any of the community's Common Areas, even if an acceptable quality signal cannot be received from an exclusive-use area. Satellite dishes shall be no larger nor installed higher than is absolutely necessary for reception of an acceptable quality signal. Any Owner who shall install a satellite dish to his Unit or Limited Common Area shall make a damage deposit to the Association in an amount as provided for in the Association's rules and regulations. All installations shall be completed so they do not materially damage the Common Areas, Limited Common Areas, or individual Units, or void any warranties of the Association or other owners, or in any way impair the integrity of the building. Satellite dishes must be installed in a manner that complies with building and safety codes and manufacturer's instructions. Improper installation could cause damage to structures, posing a potential safety hazard to Association residents and personnel. Owners who install or maintain satellite dishes are responsible for all associated costs, including but not limited to costs to:

(a) Place (or replace), maintain, and move or remove dishes;

(b) Repair damage to any property caused by dish installation, maintenance or use;

(c) Pay medical expenses incurred by persons injured by dish installation, maintenance, or use;

(d) Reimburse residents or the Association for damage caused by dish installation, maintenance or use; and

(e) Restore dish installation sites to their original condition.

Owners shall not permit their antennas to fall into disrepair or to become a safety hazard. Owners shall be responsible for antenna maintenance, repair and replacement, and the correction of any safety hazard. If satellite dishes become detached, owners shall remove or repair such detachment within 72 hours of the detachment. If the detachment threatens safety, the Association may remove the dish at the expense of the owner. Dish removal requires restoration of the installation location to its original condition. Owners shall be responsible for all costs relating to restoration of this location. If satellite dishes are installed on property that is

maintained by the Association, the owners retain full responsibility for antenna maintenance. Satellite dishes must not be installed in a manner that will result in increased maintenance costs for the Association or for the other residents. If increased maintenance or damage occurs, the applicable owner is responsible for all such costs. If Association maintenance requires the temporary removal of dishes, the Association shall provide owners with ten (10) days written notice. Owners shall be responsible for removing or relocating dishes before maintenance begins and replacing them afterward. If a dish is not removed in the required time, then the Association may do so, at the owner's expense. The Association is not liable for any damage to dishes caused by the Association's removal. ANY DEVIATION FROM THE ABOVE STANDARDS REQUIRES THE PRIOR WRITTEN APPROVAL OF THE BOARD. The Board shall exercise its discretion in deciding whether to approve or deny any Owner's request, and may attach conditions on any approval given. The placement, installation, use and maintenance of antennas, including satellite dishes, shall be further subject to rules and regulations promulgated by the Board of Directors.

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IN WITNESS WHEREOF, we, the undersigned, do hereby execute this Amended and Restated Declaration of Horizontal Property Ownership for The Villas at Winding Ridge Horizontal Property Regime and certify the truth of the facts herein stated, this 29TH day of JANUARY, 2014.

The Villas at Winding Ridge Owners Association, Inc., by:

Carlton Curry

Carlton Curry, President

Attest:

Mollie A. Williams

Mollie Williams, Secretary

REVIEWED AND APPROVED
MARION COUNTY ASSESSOR
FEB 18 2014
Brian Schneider
MAP DEPARTMENT REVIEWER

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a notary public, in and for said County and State, personally appeared Carlton Curry and Mollie Williams, the President and Secretary, respectively, of The Villas at Winding Ridge Owners Association, Inc., an Indiana nonprofit corporation, who acknowledged execution of the within and foregoing for and on behalf of said corporation and its members and who, being duly sworn, stated that the representations made herein are true. Witness my hand and notarial seal this 29TH day of JANUARY, 2014.

NOTARY PUBLIC NOTARY SEAL STATE OF INDIANA
JOHN EARL ROBINSON
Marion County
My Commission Expires
April 15, 2017

Notary Public - Signature

JOHN E ROBINSON

Printed

My Commission Expires:
4/15/2017

Residence County: MARION

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law." Courtney S. Figg, Esq.

This instrument prepared by, and should be returned to, Courtney S. Figg, EADS MURRAY & PUGH, P.C., Attorneys at Law, 9515 E. 59th Street, Suite B, Indianapolis, IN 46216. (317) 536-2565.

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AMENDED AND RESTATED

CODE OF BY-LAWS

OF

THE VILLAS AT WINDING RIDGE CONDOMINIUM

AND OF

THE VILLAS AT WINDING RIDGE OWNERS ASSOCIATION, INC.

WHEREAS, The Villas at Winding Ridge Horizontal Property Regime located in Marion County, Indiana was originally created and formed pursuant to the Indiana Horizontal Property Act codified at Indiana Code § 32-1-6-1 *et seq.*, as amended, and pursuant to a certain "Condominium Declaration," recorded in the Office of the Recorder of Marion County, Indiana, on November 11, 1998 as **Instrument No. 1998-0194808** ("Original Declaration"), to which shortly thereafter the Code of By-Laws of The Villas at Winding Ridge Condominium and of The Villas at Winding Ridge Owners Association, Inc. ("Original By-Laws"), said Original By-Laws being recorded on the same date and under **Instrument No.1998-0194809;** and

WHEREAS, said Original Declaration was amended by a "First Amendment to the Condominium Declaration The Villas at Winding Ridge Owners Association, Inc." recorded in the Marion County Recorder's Office on the 26th day of April, 2004, as **Instrument No. 2004-0083822;**

WHEREAS, said Original By-Laws was amended by an "Amendment to the Code of By-Laws of The Villas at Winding Ridge Condominium and of The Villas at Winding Ridge Owners Association, Inc." recorded in the Marion County Recorder's Office on the 26th day of April, 2004, as **Instrument No. 2004-0083821**;

WHEREAS, Section 8.01 of the Original By-Laws enables the By-Laws to be amended by a vote of not less than sixty-seven percent (67%) of the Percentage Vote of the Unit Owners in a duly constituted meeting called for such purpose; and

WHEREAS, the Unit Owners of The Villas at Winding Ridge Owners Association, Inc. ("Association") desire to adopt certain amendments to the Code of By-Laws of the Association as set forth herein and to incorporate such amendments into an Amended and Restated Code of By-Laws of the Association; and

WHEREAS, after notice was duly given pursuant to the Original By-Laws, the Annual Meeting of the Unit Owners was held on the ____ day of _____, 20 ,one of the stated purposes of which was to consider and adopt this Amended and Restated Code of By-Laws of The Villas at Winding Ridge Condominium and The Villas at Winding Ridge Owners Association, Inc.; and

WHEREAS, at said Annual Meeting, the Owners holding more than sixty-seven percent (67%) of the Percentage Vote of the Unit Owners voted to approve this Amended and Restated Code of By-Laws of the Association.

NOW, THEREFORE, the Original By-Laws are amended and restated as follows:

ARTICLE I

Identification and Applicability

Section 1.01. Identification and Adoption. The provisions of these By-Laws shall apply to the Condominium Property and the administration and conduct of the affairs of The Villas at Winding Ridge Owners Association, Inc. ("Association"). These By-Laws shall also constitute the By-Laws of the Association.

The Declaration and Articles of Incorporation are incorporated herein by reference, and all of the covenants, rights, restrictions, and liabilities therein contained shall apply to and govern the interpretation of these By-Laws. The definitions and terms as defined and used in the Declaration shall have the same meaning in these By-Laws. The provisions of these By-Laws shall apply to the Property and the administration and conduct of the affairs of the Association.

Section 1.02. Individual Application. All of the Unit Owners, future owners, mortgagees, tenants, future tenants, or their guests and invitees, or any other person that may use or occupy a Unit or any part of the Condominium Property, shall be subject to the terms, and conditions set forth in the Declaration, these By-Laws and the Act, and to any Rules and Regulations adopted by the Association.

ARTICLE II

Meetings of Association

Section 2.01. Purpose of Meetings. At least annually and at such other times as may be necessary, a meeting of the Unit Owners shall be held for the purpose of electing the Board of Directors, approving the Annual Budget, and for such other purposes as may be required by the Declaration, these By-Laws or the Act.

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Section 2.02. Annual Meetings. The Annual Meeting of the Unit Owners shall be held during the fourth quarter of each calendar year. At the Annual Meeting the Unit Owners shall elect the Board of Directors of the Association in accordance with the provisions of these By-Laws, shall consider and act upon the Annual Budget, and shall transact such other business as may properly come before the meeting.

Section 2.03. Special Meetings. A Special Meeting of the Unit Owners may be called by the President, by resolution of the Board of Directors, or upon a written petition of not less than ten percent (10%) of the Unit Owners. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purposes for which the meeting is to be called and such purposes shall be stated in the notice thereof which is sent to the Unit Owners. No business shall be transacted at a Special Meeting except as stated in the notice of the meeting, unless all the Unit Owners are present.

Section 2.04. Notice and Place of Meetings. Any meetings of the Unit Owners may be held at any suitable place in Marion County, Indiana, as may be designated by the Board of Directors. The Board of Directors shall, unless impracticable or impossible, hold any meetings within a ten (10) mile radius of the community for the purpose of convenience of the Unit Owners. Written notice stating the date, time and place of any meeting, and in the case of a Special Meeting the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association or the Managing Agent to each Owner. The notice shall be mailed or delivered to the Unit Owners at their address as it appears upon the records of the Association and also to any Mortgagee who has requested notices to be sent to it at its address as appears on the records of the Association. Attendance at any meeting by a Unit Owner or their authorized representative, in person or by proxy, shall constitute a waiver of notice of such meeting.

Section 2.05. Voting.

(a) Number of Votes. To facilitate the orderly conduct of the meeting, each Unit Owner shall be entitled to cast one vote on each matter coming before the meeting since the Percentage Interest of each Unit Owner will always be equal.

(b) Multiple Owner. Where the Owner of a Unit constitutes more than one person, or is a partnership, there shall be only one voting representative entitled to cast the entire Percentage Vote allocable to that Unit.

(c) Voting by Corporation or Trust. Where a corporation or trust is a Unit Owner or is otherwise entitled to vote, the trustee may cast the Percentage Vote on behalf of the trust and the agent or other representative of a corporation who is duly empowered to vote shall cast any Votes to which the corporation is entitled.

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(d) Proxy. A Unit Owner may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Unit Owner shall duly designate his attorney-in-fact in writing, and such written designation shall be delivered to the Managing Agent or Secretary of the Association prior to or at the commencement of the meeting.

(e) Quorum. Except where otherwise expressly provided in the Declaration, these By-Laws or the Act, a majority of the Unit Owners in good standing shall constitute a quorum at all meetings. "Good standing" throughout these By-Laws shall mean a Unit Owner who is current on the payment of Annual and Special Assessments. "Current" means that the Unit Owner is no more than thirty (30) days behind on the payment of any assessment.

(f) Conduct of Annual Meeting. The President of the Association shall serve as Chairman of the Annual Meeting and in his absence the Vice President shall serve. The Chairman shall call the Annual Meeting to order at the duly designated time and business will be normally conducted in the following manner:

(1) Reading of Minutes. The Secretary shall read the minutes of the last Annual Meeting and the minutes of any Special Meeting held subsequent thereto, but such reading may be waived upon motion.

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

(3) Budget. The proposed Annual Budget for the upcoming fiscal year shall be presented to the Unit Owners for approval or amendment. If the Unit Owners do not approve the Annual Assessments for the current fiscal year at the time they approve the Annual Budget, the Board of Directors shall set the Annual Assessments for the year at such amount as to raise the funds required to comply with the Annual Budget, including reserve requirements.

(4) Election of Board of Directors. Nominations for the Board of Directors may be made by any Unit Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least three (3) days prior to the date of the Annual Meeting. Voting for the Board of Directors will be by paper ballot unless a majority of the Unit Owners present waive voting by paper ballot and approve another form of voting. The ballot shall contain the name of each person nominated to serve as a Board member. Each Unit Owner may cast one vote for as many nominees as are to be elected. No Unit Owner may cast more than one vote for any nominee. Those persons receiving the highest number of votes shall be elected.

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(5) Other Business. Other business may be brought before the Meeting only if accepted and ruled in order by the Chairman of the Meeting, or which is pursuant to written request submitted to the Secretary of the Association at least three (3) days prior to the date of the meeting.

(6) Adjournment. Upon completion of all business before the Association, the President, upon the motion of any Owner, may adjourn the meeting; provided, however, that no annual meeting shall be adjourned until a budget is approved by the Unit Owners for the upcoming year.

ARTICLE III

Board of Directors

Section 3.01. Number and Eligibility. The affairs of the Association and of the Condominium shall be governed and managed by the Board of Directors (herein collectively called the "Board" or "Directors" and individually called "Director"). The Board of Directors, who shall perform all duties and serve as a Board of Directors, shall be composed of no less than three (3) and no greater than nine (9) persons who each own at least one (1) Unit. Also, any Unit Owner who is thirty (30) days or more in arrears in his Annual or Special Assessments or engaged in litigation with the Association will not be eligible to serve or continue to serve as Director.

Section 3.02. 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 Unit Owner, or an officer or trustee, shall be eligible to serve on the Board of Directors.

Section 3.03. Term of Office and Vacancy. The Board of Directors shall be elected at each Annual Meeting of the Association. At the first such meeting the Board shall be divided into three groups, one group shall be elected for one (1) year, one group for two (2) years and one for three (3) years. At each subsequent Annual Meeting persons equal to the number of each group whose terms expire shall be elected for a three (3) year period. At the first Annual Meeting two Directors shall be elected for two years, two Directors for three years and one Director for one year. Thereafter all Directors shall be elected to serve for the unexpired term of the Director whom he or she has replaced, or for three (3) years where the term of a Director expires due to completion of his or her term of office.

Any vacancy or vacancies occurring in the Board of Directors shall be filled by a vote of a majority of the remaining Directors or by vote of the Unit Owners if a Director is removed in accordance with Section 3.04 of this Article III.

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Section 3.04. Removal of Director. A Director or Directors may be removed with or without cause by vote of the Unit Owners if the number of votes cast to remove would be sufficient to elect the Director(s) at a meeting to elect Directors. A Director or Directors may be so removed by the Owners only at a meeting called for the purpose of removing the Director(s). The meeting notice must state that the purpose of removing the Director(s). In such case, a successor Director shall be elected at the same meeting from eligible Unit Owners at such meeting. A Director so elected shall serve until the next Annual Meeting of the Unit Owners or until his successor is duly elected and qualified.

Section 3.05. Duties of the Board of Directors. The Board of Directors shall provide for the management, administration and operation of the Condominium, the maintenance, repair, upkeep and replacement of the Common Areas and Limited Common Areas, and the collection and disbursement of the Common Expenses. These duties include, but are not limited to:

(a) management, maintenance, repair and replacements of the Common Areas;

(b) procuring of utilities used in connection with the Condominium, removal of garbage and waste, and snow removal from the Common Areas;

(c) landscaping, painting, decorating, and furnishing of the Common Areas;

(d) surfacing, paving and maintaining streets, parking areas, and sidewalks;

(e) assessment and collection from the Owners of their pro rata share of the Common Expenses;

(f) preparation of Annual Budget;

(g) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner as soon as practical after the end of each fiscal year; and

(h) keeping a current, accurate and detailed record of receipts and expenditures affecting the Condominium Property, specifying and itemizing the Common Expenses. All records and vouchers shall be available for examination by an Owner upon reasonable notice during normal business hours.

(i) to procure fire and extended coverage insurance covering the Buildings and the Condominium Property to the full replacement value thereof and to procure public liability and property damage insurance and Workmen's

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Compensation Insurance, if necessary, for the benefit of the Unit Owners and the Association;

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

(a) to employ a managing agent or a real estate management company (either being hereinafter referred to as "Managing Agent") to assist the Board in performing its duties;

(b) to purchase for the benefit of the Condominium 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 Condominium;

(d) to include the costs of all of the above and foregoing as a Common Expense;

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

(f) to determine rules and procedures for hiring and firing of personnel necessary for the maintenance, repair and replacement of Common Areas and for approving the payment of vouchers, invoices and the like;

(g) to adopt, revise, amend and alter from time to time reasonable Rules and Regulations with respect to use, occupancy, operation, and enjoyment of the Condominium Property;

(h) to own, convey, encumber, lease and otherwise deal with the Condominium Property and property of and for the Association; and

(i) to grant easements, rights of way, and other rights over the Common Areas; and

(j) to do such other acts and things as are in the best interest of a majority of Unit Owners and which are not contrary to law, or to the Declaration or By-Laws.

Section 3.07. Limitation on Board Action. The authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than Ten

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Thousand Dollars ($10,000.00) without obtaining the prior approval of the Unit Owners at a meeting thereof, except in the following cases:

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

(b) proposed contracts and proposed expenditures expressly set forth as provided for in the Annual Budget as approved by the Unit Owners at the Annual Meeting, which shall include, but not be limited to, the compensation of the Managing Agent, ongoing contracts of all kinds, maintenance contracts, contracts for improvements which have been approved by the Association, and contributions to reserve accounts. However, specific items within the budget need not be approved separately by the Unit Owners at the Annual Meeting. The Board may reallocate funds to items in the Annual Budget so long as the total budgeted funds are not exceeded; and

(c) 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.

The said Ten Thousand Dollars ($10,000.00) maximum shall be reviewed every five (5) years and may be adjusted from the date of the recording of these By-Laws to reflect changes in the purchasing power of the dollar due to inflation, as determined by the most recently published annual GNP Implicit Price deflator or any comparable index.

Section 3.08. Compensation. No Director or Officer shall receive any compensation for his services unless a majority of the Unit Owners shall approve paying such compensation. Each Director shall be reimbursed for his reasonable costs and expenses incurred for the benefit of the Association.

Section 3.09. Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the President. The Secretary shall give notice of the regular meetings of the Board to each Director personally, or mailed by United States Mail, at least three (3) days prior to the date of such meeting.

Special meetings of the Board of Directors may be called by the President or any three (3) members of the Board. The person or persons calling such meeting shall give written notice thereof to the Secretary who shall either personally, or by mail, and at least three (3) days prior to the date of such special meeting, give notice to the Board members unless all Board members shall waive such notice or such time requirement. The notice of the meeting shall contain a

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statement of the purpose or purposes for which the meeting is called. Any regular or special meeting shall be held at such place and at such time within Marion County, Indiana, as shall be designated in the notice.

In lieu of written notices from the Association sent pursuant to the above paragraph, a Director may elect to receive notices of Board meetings by e-mail. Any Director choosing e-mail shall be deemed to have waived the right to receive notices from the Association by U.S. Mail or personal delivery. However, any such Director shall have the right at any time to withdraw his or her election to receive notice by e-mail, and shall thereafter be sent notices by the Association pursuant to the above paragraph.

Section 3.10. Waiver of Notice. Any Director may, in writing, waive notice of a meeting and such waiver shall be deemed equivalent to the receipt of such notice. The presence of any Director at a meeting shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at the meeting of the Board, or if those not present shall waive notice of the meeting or shall consent to the actions taken at the meeting, notice shall not be required and any business may be transacted at such meeting.

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

Section 3.12. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board and such written consent is filed with the minutes of proceedings of the Board or committee. An electronic signature, either through personal, stylized script by the Director or by typing of his name at the end of the electronic communication, shall have the same legal consequence as a handwritten signature on any consent provided for electronically under this section.

Section 3.13. Standards of Conduct and Liability of Directors and Officers. The standard and duty of conduct for and the standard or requirements for liability of the Directors and Officers of the Association shall be as set forth in the Indiana Nonprofit Statute of 1991, and any amendments thereto, as the same may be amended from time to time.

Section 3.14. Non-Liability of Directors. The Directors shall not be liable to the Unit Owners or any other persons for any error or mistake in judgment exercised in carrying out their duties and responsibilities as Director, except for their own individual willful misconduct or gross negligence. The Association may indemnify and hold harmless each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration, By-Laws or the Act, and the Association shall, if reasonably available, carry liability insurance for the Board of Directors. The cost of

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such insurance shall be included as part of the Common Expenses. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. The Unit Owners shall be subject to special assessment for sums necessary for the Association to pay the aforesaid indemnity in favor of the Directors. Every contract made by the Board or the Managing Agent on behalf of the Association shall be in the name of the Association.

Section 3.15. Additional Indemnity of Directors and Officers. The Association shall also indemnify any person, his heirs, assigns and personal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director or an Officer of the Association, against the reasonable expenses, including attorneys fees, actually incurred by him or her 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 person is liable for gross negligence or willful misconduct in the performance of his duties. The Association may also reimburse to any such Director or Officer of the Association the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority of the Unit Owners that such Director or Officer was not guilty of gross negligence or willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director or an Officer, no Director or Officer shall be considered or deemed to be guilty of or liable for negligence or willful misconduct in the performance of his duties where, acting in good faith, such Director or Officer relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent or any Officer or employee thereof, or any accountant, attorney or other person, firm, or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director or Officer be deemed guilty of or liable for negligence or willful misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

Section 3.16. Bond. The Board of Directors and officers shall be covered by the fidelity bond required of the Association. Such bond shall, if obtainable, provide coverage, indemnifying the Association against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty. Such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. The expense of any such bond shall be a Common Expense.

Section 3.17. Books and Records. Upon request at reasonable business hours and upon payment of a reasonable fee to defray copying expenses, the Board of Directors shall itself, or through the Director, make available for inspection to Unit Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the Condominium, and the most recent financial statements of the Association.

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ARTICLE IV

Officers

Section 4.01. Officers of the Association. The principal officers of the Association shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. Any two or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person.

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

Section 4.03. The President. A President shall be elected from among the Directors and shall be the chief executive officer of the Association. He shall preside as Chairman at all meetings of the Association and of the Board, shall have and discharge all of the general powers and duties usually vested in the office of president or chief executive officer of an association or a stock corporation organized under the laws of Indiana, including, but not limited to, the power to appoint committees from the Unit Owners as he may deem necessary to assist in the affairs of the Association and to perform such other duties as the Board may from time to time prescribe.

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

Section 4.05. The Secretary. A Secretary shall be elected from among the Directors. The Secretary shall attend all meetings of the Association and of the Board and shall keep or cause to be kept a true and complete record of the proceedings of such meeting, shall perform all other duties incident to the office of the Secretary, and such other duties as from time to time may be prescribed by the Board. The Secretary shall specifically see that all notices of the Association or the Board are duly given, mailed or delivered, in accordance with the provisions of these By-Laws.

Section 4.06. The Treasurer. A Treasurer shall be elected from among the Directors who shall maintain a correct and complete record of account showing accurately at all times the financial condition of the Association and such other duties incident to the office of the Treasurer. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Association. He shall immediately

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deposit all funds of the Association coming into his hands in a federally-insured bank or other federally-insured depository to be designated by the Board and shall keep such bank account in the name of the Association.

Section 4.07. Additional Officers. The Board of Directors may, from time to time, designate and elect additional officers, including but not limited to, Vice Presidents and an Assistant Secretary and Assistant Treasurer who shall have such powers and duties as are set forth herein for such office. The Assistant Secretary and Assistant Treasurer shall have such powers and duties as the officer whom they are elected to assist shall delegate to them, and such other powers and duties as these By-Laws or the Board of Directors may prescribe.

ARTICLE V

Accounting, Budgets and Assessments

Section 5.01. Annual Accounting. Annually, as soon as practicable after the close of each fiscal year, the Board shall cause to be prepared an audited financial statement prepared by an independent public accountant, who shall be a certified public accountant. Such statement shall show all receipts and expenses received, incurred and paid during the preceding calendar year. The Association shall display the audited financial statement on the Association's website, and the Association shall keep a copy of the audited financial statement at the Association's clubhouse. A Unit Owner may request to purchase a copy of the audited financial statement upon written request to the Association or its Managing Agent. The Association shall also furnish such financial statement for the preceding fiscal year to any holder, insurer or guarantor of a first mortgage that is secured by a Unit who shall so request in writing.

Section 5.02. Proposed Budget. Annually, on or before the date of the Annual Meeting of the Association, the Board of Directors shall cause to be prepared a proposed Annual Budget for the upcoming fiscal year estimating the total amount of the Common Expenses for such fiscal year. The Board of Directors shall furnish a copy of such proposed Annual Budget to each Unit Owner prior to or at the Annual Meeting. The Annual Budget shall be submitted to the Unit Owners at the Annual Meeting of the Association for adoption, and, if so adopted, shall be the basis for the Annual Assessment for the following fiscal year. At the Annual Meeting of the Unit Owners, the Budget may be approved in whole or in part or may be amended in whole or in part, by a majority of the Unit Owners in good standing voting in person or by proxy; provided, however, that if the Annual Meeting of the Unit Owners is adjourned before an Annual Budget is approved at such meeting, then the Board of Directors may adopt a tentative Annual Budget for such year until an Annual Budget is approved by the Unit Owners. The Annual Meeting may not be adjourned until an Annual Budget has been approved by the Unit Owners as set forth above. Instead, the Annual Meeting must be set for a recess and reconvened at a later date and time for the purpose of obtaining consent necessary to adopt the budget.

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Section 5.03. Annual and Special Assessments. Common Expenses shall be assessed to the Unit Owners either as an Annual Assessment or as a Special Assessment, proportionately in accordance with their respective Percentage Interest in the Common Areas, all as set forth below:

(a) An Annual Assessment shall be made for each Fiscal Year of the Association for all anticipated ongoing operating expenses of the Condominium, including reserves. The Annual Assessment shall be paid in twelve (12) equal monthly installments which shall be due and payable in advance on the first day of each calendar month. The amount of the aggregate Annual Assessments shall be equal to the total amount of expenses provided for in the Annual Budget, including reserve items.

(b) Special Assessments may be made for any unusual and/or extraordinary items, including capital expenditures, and for any unanticipated items, or if the Annual Assessments turn out to be insufficient. Special Assessments shall be payable in such amounts and at such times as may be provided in the resolution or other formal proposal setting forth the terms of such Special Assessments.

(c) A Special Assessment may also be made against certain Units having the use of Limited Common Areas, or for other purposes where certain Unit Owners receive services or privileges, which are not then generally available to all Unit Owners equally, as a charge for the use, maintenance and/or upkeep of such Limited Common Areas, or for such services or privileges, or for any other charges or expenses attributable to such Limited Common Areas, services, privileges or which result from actions of a Unit Owner which may cause extra expense to the Association. A Unit Owner's agreement to pay Special Assessments may be imposed by the Board of Directors as a condition to approving the use or improvement of Limited Common Areas, or as a condition to the rendition or grant of services or privileges.

(d) The Annual Assessment and any Special Assessments, together with interest, late charges, costs of collection, and reasonable attorney's fees, shall be a continuing lien on the property upon which each such assessment is made as each installment thereof becomes payable. Each Assessment, together with interest, late charges, costs of collection, and reasonable attorney's fees, shall also be the personal obligation of the persons who were the Owners of the Unit at any time when the Assessment was payable.

Section 5.04. Fiscal Year. The Fiscal Year of the Association shall initially commence on January 1 and end on December 31 of the following year, but the Board of Directors may change such Fiscal Year. If the Fiscal Year is changed the Board of Directors shall cause the Annual Assessment for the prior fiscal year to be assessed for any short Fiscal Year, or it may submit an interim or modified Budget and Annual Assessment for such period to the Unit Owners.

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Section 5.05. Vote for Special Assessments. No Special Assessment, except Special Assessments imposed under Section 5.03(c) above, shall be adopted unless voted for by a majority of the members of the Association in good standing who are voting in person or by proxy at a meeting called for this purpose. However, Special Assessments required because of an insufficiency of insurance shall not be subject to any vote by the Unit Owners.

Section 5.06. Notice of Meetings for Assessments. Written notice of any meeting called for the purpose of approving the Annual Budget and Annual Assessment or a Special Assessment, shall be given or sent to all members and such notice shall state that the Annual Budget and/or a Special Assessment will be considered at such meeting.

Section 5.07. Commencement of Assessments. The Annual Assessments provided for herein shall be made for each Fiscal Year of the Association, and the first monthly payment of each Annual Assessment shall be due on the first day of the first month of each Fiscal Year. If the Annual Assessment has not been set by the first day of the Fiscal Year, then the payments due on the Annual Assessment shall be based upon any tentative assessment set by the Board of Directors, and if none is set then the assessments shall be based on the prior year's assessment until the Annual Budget and the Annual Assessment for such Fiscal Year is approved. The first monthly payment of the Annual Assessment payable after the Annual Budget is approved shall be adjusted to compensate for any prior payments which were too high or too low.

Section 5.08. Failure of Owner to Pay Assessments. No Owner may exempt himself or herself from paying Annual or Special Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and Limited Areas and toward any other expense lawfully agreed upon, by waiver of the use or enjoyment of the Common Areas or Limited Areas, or by abandonment of the Unit belonging to such Owner. Each Owner shall be personally liable for the payment of all Annual and Special Assessments and all other charges. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Annual or Special Assessments when due, the lien for such assessment on the Owner's Unit may be foreclosed by the Board for and on behalf of the Association as provided by law. Upon the failure of an Owner to make payments of any Annual or Special Assessments within fifteen (15) days after such are due, the Board, in its discretion, may:

(1) impose a uniform monthly late charge, which will be considered an addition to the assessment, in an amount to be determined by the Board;

(2) accelerate the entire balance of the unpaid Assessments for the remainder of the fiscal year and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary;

(3) suspend such Owner's right to use the recreational facilities within the neighborhood as provided in the Indiana Nonprofit Corporations Act of 1991, as amended; and

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(4) suspend such Owner's right to vote as provided in the Indiana Nonprofit Corporation Act of 1991, as amended.

In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Unit shall be jointly and severally liable for the payment to the Association of reasonable rental for such Unit, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Unit and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Annual or Special Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Regular or Special Assessments without foreclosing or waiving the lien securing the same. In connection with any effort to collect or in any action to recover an Annual or Special Assessment, regardless of whether litigation is initiated, the Board, for and on behalf of the Association, shall be entitled to recover from the Owner of the Unit, not only the delinquent Annual or Special Assessments, but also all late charges imposed, all court costs, all costs of collection, charges, fees and expenses incurred by the Association with respect to such collection effort or action, including but not limited to charges, costs, fees or other expenses incurred by the Association to the Managing Agent for administering, monitoring or processing delinquent Owners accounts, and reasonable attorney's fees. The Association need not accept any tender or a partial payment of an Assessment, or any installment of an Assessment, and all costs, expenses, charges and attorneys fees attributable thereto, and any acceptance of any such tender shall not be deemed to be a waiver of the Association's right to demand and receive full payments thereafter. In addition, the Board shall have the power to adopt by Board resolution additional rules and regulations or delinquency procedures.

ARTICLE VI

Right to Enter; Rules and Regulations

Section 6.01. Right of Entry. An Owner or occupant of a Unit shall be deemed to have granted the right of entry to his Unit to the Board, the Managing Agent, or any person authorized by the Board in case of any emergency, in order to remedy any circumstance threatening his or her Unit, the building located therein, or any other property or person, whether the Owner is present at the time or not. Any Owner shall permit persons authorized by the Board to perform any work, when required, to enter his Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical facilities or equipment, or to make structural repairs, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. A Unit Owner shall not unreasonably withhold access from the Board, the Managing Agent, or any other person authorized by the Board to enter for the purposes of performing installations, alterations, or repairs to the mechanical or electrical facilities or equipment or to make structural repairs. In case of emergencies, such right or entry shall be immediate and without notice.

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Section 6.02. Right of Board to Adopt Rules and Regulations. The Board may promulgate, adopt, and enforce such Rules and Regulations regarding the operation of the Condominium Property, including but not limited to, the use of the Common Areas and Limited Common Areas and to provide reasonable restrictions on the use of the several Units, as the Board may deem necessary from time to time. The Board shall cause copies of such Rules and Regulations to be delivered or mailed promptly to all Unit Owners fifteen (15) days prior to the effective date thereof.

ARTICLE VII

Lease

Section 7.01. Limit on Number of Leased Condominium Units. In order to insure that the residents within the Property share the same proprietary interest in and respect for the Condominium Units (hereafter, "Unit" or "Units") and the Common Areas, no more than thirteen (13) of the Units, at any given time, may be leased or rented for exclusive occupancy by one or more non-owner occupants. For purposes of this Section 7.01, a Unit is exclusively occupied by one or more non-owner occupants, if the Unit Owner of the Unit does not also correspondingly occupy the Unit as his or her principal place of residence. Prior to the execution of any lease, and in addition to the requirements set forth in this Section 7.01, the Unit Owner must notify the Board or the Board's agent as to the Unit Owner's intent to lease his or her Unit. After receiving such notice, the Board or the Board's agent shall advise the Unit Owner if the Unit may be leased or whether the maximum number of Units within the Regime is currently being leased. If the maximum number of Units is already being leased, the Board or the Board's agent shall place the Unit Owner on the waiting list in priority order based on the date of notice from the Unit Owner, and shall notify the Unit Owner of that Unit Owner's position on the waiting list. When an existing non-owner occupant vacates a Unit, the Unit Owner of that Unit shall immediately notify the Board or the Board's agent of such fact and that Unit cannot be re-rented or leased until all prior Unit Owners on the waiting list, if any, have had a chance to rent or lease their Units. A Unit Owner on the waiting list who obtains the opportunity to rent or lease his or her Unit, must present an executed lease to the Board or the Board's agent, within sixty (60) days of the date of notice that he or she may rent or lease the Unit, or that Unit Owner will forfeit his or her position on the waiting list. The Board may, in its discretion, grant an exception, for not more than one (1) year at a time, to the limit provided in this paragraph, to a Unit Owner that the Board determines is actively and in good faith trying to sell his/her Condominium Unit.

Section 7.02. Hardship Exceptions and Waiver. Notwithstanding Section 7.01 above, if an Owner wishes to lease a Unit, but the maximum number of units is currently being leased, the Owner may request the Board to grant an exception to the cap on the maximum number of Units allowed to be leased and approve a proposed lease if the Owner establishes to the Board's

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satisfaction that not being able to lease the Unit will cause undue hardship. If a majority of the entire Board approves in writing of the Owner's request, the Board shall permit the Owner to rent or lease said Unit, subject to any further conditions or limitations imposed by the Board, including but not limited to the resale of the Unit within a specified period (unless an extension is granted by the Board in its discretion), but only if the Owner satisfies all other requirements of this Article VII. Such decision shall be at the sole discretion of the Board. Examples of an undue hardship include:

(1) death, dissolution or liquidation of an Owner;

(2) divorce or marriage of an Owner;

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

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

Section 7.03. General Lease Conditions. All leases, including renewals, shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior approval of the Board. No portion of any Unit other than the entire Unit may be leased for any period. No subleasing is permitted. No Unit Owner will be permitted to lease or rent his Unit, if the Unit Owner is delinquent in paying any assessments or other charges due to the Association at the time the lease is entered. All leases shall be made expressly subject and subordinate in all respects to the terms of the Declaration, By-Laws and any rules and regulations promulgated by the Board, as amended, to the same extent as if the tenant were a Unit Owner and a member of the Association; and shall provide for direct action by the Association and/or any Unit Owner against the tenant with or without joinder of the Unit Owner of such Unit. The Unit Owner shall supply copies of the Declaration, By-Laws and rules and regulations to the occupant prior to the effective date of the lease. The Unit Owner shall also supply a copy of a Declaration compliance form, as drafted by the Board from time to time, to the tenant and have the tenant complete the form and return it to the Board prior to moving into the Unit. The Declaration compliance form must be submitted to the Board with the signed lease agreement. In addition, the Board shall have the power to promulgate such additional rules and regulations as, in its discretion, may be necessary or appropriate concerning leasing. The Managing Agent of the Association shall retain all lease documents and forms in the Unit's file.

Section 7.04. Six Month Waiting Period. In addition to all other provisions, for a period of at least six (6) months after a Unit Owner's acquisition of a Unit, the Unit Owner cannot rent or lease that Unit for exclusive occupancy by one or more non-owner tenants. After such time, said Unit will be eligible to be leased if all other conditions are satisfied. In the case of the

transfer of ownership of a Unit which was properly leased under these rules by the previous Unit Owner, the new Unit Owner can continue with such lease only to finish the then current term of not more than one (1) year. When that term ends, the Unit Owner, if he or she wants to lease his Unit, must meet all requirements the same as other Unit Owners who are not exempted.

Section 7.05. Condominium Unit Owner is Still Liable. No lease shall provide, or be interpreted or construed to provide, for a release of the Unit Owner from his responsibility to the Association and the other Unit Owners for compliance with the provisions of the Declaration, By-Laws and any rules and regulations promulgated by the Board, or from the Unit Owner's liability to the Association for payments of assessments.

Section 7.06. Approval of Form of Lease. Any Unit Owner desiring to enter into a lease for his Unit shall submit the form of the proposed lease to the Board (which form need not include the identity of the tenant or the rental amount), along with a completed Declaration compliance form, for review prior to the tenant occupying the Unit for compliance with the requirements of this Article VII. The Board may employ an attorney in connection with any such review, and a reasonable fee may be charged to the applicant to offset the expense so incurred. In the event the Board fails to approve or disapprove the form of the lease within thirty (30) days after submission by the applicant, the form of the lease shall be deemed approved. A copy of each executed lease by a Unit Owner (which may have the rental amount deleted) shall be provided to the Board by the Unit Owner within thirty (30) days after execution.

Section 7.07. Violations. Any lease or attempted lease of a Unit in violation of the provisions of this Article VII shall be voidable at the election of the Association's Board of Directors or any other Owner, except that neither party to such lease may assert this provision of this Article VII to avoid its obligations thereunder. In the event of a violation, the Board of Directors, on behalf of the Association, or any Owner, shall have the right to exercise any and all available remedies at law or equity in the same manner and with the same rights as for any other violations of the Declaration and By-Laws.

Section 7.08. Effective Date of Lease Conditions. These leasing restrictions shall not apply to any Unit of a Unit Owner who at the time of April 26, 2004, was renting or leasing said Unit for exclusive occupancy by one or more non-owner tenants, so long as such Unit continues to be owned by the same Unit Owner and is not occupied as a residence by such Unit Owner and the Unit Owner supplied a copy of his or her lease to the Association no later than April 26, 2004. These restrictions shall not apply to any lease executed prior to April 26, 2004 or to any renewals thereof provided in such lease so long as the occupants remain the same. Any Unit which falls under the exception of this paragraph shall, nevertheless, be counted as one of the thirteen (13) maximum Units that may be rented at any given time even though such maximum does not apply to restrict such excepted Unit.

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Section 7.08. Institutional Mortgages. The provisions set forth shall not apply to any institutional mortgage holder of any Unit which comes into possession of the mortgage holder by reason of any remedies provided by law or in equity or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement or deed in lieu of foreclosure.

ARTICLE VIII

Amendment to By-Laws

Section 8.01. These By-Laws may be amended by a vote of not less than fifty-one percent (51%) of the Percentage Vote of the Unit Owners in good standing voting in person or by proxy at a duly constituted meeting called for such purpose, or at an Annual Meeting.

ARTICLES IX

Mortgages

Section 9.01. Notice to Association. Any Unit Owner who places a first mortgage lien upon his Unit may notify the Secretary of the Association or the Managing Agent and provide the name and address of the Mortgagee or the Mortgagee may do so. A record of such Mortgagee and the name and address shall be maintained by the Secretary or the Managing Agent and any notice required to be given to the Mortgagee pursuant to the terms of the Declaration or these By-Laws shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided, or as to which the Association is later notified in writing. Unless notification of any such mortgage and the name and address of Mortgagee and the Units on which it holds a mortgage are furnished to the Secretary or the Managing Agent, either by the Owner or the Mortgagee, no notice to the Mortgagee as may otherwise be required by the Declaration or these By-Laws shall be required and such Mortgagee shall not be entitled to vote on any matter to which.it otherwise would be entitled by virtue of the Declaration or By-Laws or any proxy granted to such Mortgagee in connection with the mortgage. Mortgagees of whom the Association has been notified shall be entitled to notice of any of the following, to-wit:

(a) any condemnation or casualty loss that affects either a material portion of the Condominium or the Units securing the mortgage;

(b) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of the unit on which it holds a mortgage;

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