Subdivision Covenants and Restrictions

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FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
OF APPLE LAKE ESTATES PROPERTY OWNERSHIP

WHEREAS, Apple Lake Estates Homeowners Association, Inc. desiring to put forth certain proposed changes to the Declaration of Covenants and Restrictions of Apple Lake Estates Property Ownership, as recorded in the Office of the Hancock County Recorder on September 18, 1995, under Instrument No. 9507669, for vote by its membership; and

WHEREAS, Apple Lake Estates Homeowners Association, Inc. conducted a meeting of its membership, pursuant to Covenant and Restriction No.21 of the aforementioned Declaration of Covenants and Restrictions, on the 24th day of August, 2002; and

WHEREAS, Apple Lake Estates Homeowners Association, Inc., by its membership, did vote to make certain changes to the Declaration of Covenants and Restrictions of Apple Lake Estates Property Ownership.

NOW, THEREFORE, the following changes are submitted as the First Amendment to the Declaration of Covenants and Restrictions of Apple Lake Estates Property Ownership:

20. **Covenants and Restrictions (Use & Occupancy Restrictions).**

(a) **Use Restrictions**

Paragraph (viii) That all reference to “for rent” or “for lease” is hereby deleted from this paragraph.

Paragraph (xiii) This paragraph is hereby changed to read:

“No Owner may rent or lease his/her Dwelling Unit”.

Paragraph (xiv) This Paragraph as it presently reads is removed in its entirety. It is hereby replaced by the following:

“No Owner may own more than one (1) Dwelling Unit in Apple lake Estates, at the same time; unless one (1) is legitimately for sale at a sellable price, and with written Board approval, and provided that while for sale is not occupied”.

All other terms and conditions of the above referenced Declaration of Covenants And Restrictions are to remain unchanged.
IN WITNESS WHEREOF, the undersigned being duly authorized by appropriate Corporate action has caused this First Amendment to the Declaration of Covenants and Restrictions to be executed this 20th day of October, 2002

APPLE LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

By: ________________________
    Roby Hott

President

STATE OF INDIANA

) SS:

COUNTY OF HANCOCK

Before me, a Notary Public, in and for said County and State, personally appeared Roby Hott, President of the Apple Lake Estates Homeowners Association, Inc., an Indiana Corporation, who acknowledged the execution of the foregoing "First Amendment to the Declaration of Covenants and Restrictions of Apple Lake Estates Property Ownership" for and on behalf of said corporation.

WITNESS, my hand and Notarial Seal this 3rd day of October, 2002.

My Commission Expires: ________________________
    March 22, 2009

Milo G. Gray, Jr.
Notary Public
(March 22, 2009)
(Printed)
County of Residence: Hancock

This Instrument prepared by Milo G. Gray, Jr., Attorney No. 7268-49, 426 West Walnut Street, Greenfield, Indiana 46140, 317 462-2530.
THIRD AMENDMENT
TO THE
DECLARATION OF COVENANTS AND RESTRICTIONS
OF
APPLE LAKE ESTATES PROPERTY OWNERSHIP
REFERENCE #950007669

This Instrument Prepared By:
Apple Lake Estates Homeowners Association
Board of Directors
Under Counsel of:
MILO G. GRAY, Jr.
Attorney at Law
426 West Walnut St.
Greenfield, IN 46140
## DECLARATION OF COVENANTS AND RESTRICTIONS OF 
APPLE LAKE ESTATES PROPERTY OWNERSHIP

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SECOND AMENDMENT
TO DECLARATION OF COVENANTS AND RESTRICTIONS
OF
APPLE LAKE ESTATES PROPERTY OWNERSHIP

THIS AMENDMENT TO THE DECLARATION made this 16th Day of August 2003
by THE APPLE LAKE ESTATES HOMEOWNERS ASSOCIATION INC., an
INDIANA CORPORATION

WITNESSETH:

WHEREAS, the following facts are true:

A. THE CORPORATION is the sole owner in fee simple title to certain real estate
located in Hancock County, Indiana, more particularly described in the attached
Exhibit “A”, which are incorporated herein by reference and is hereinafter referred to
as “Project”.

B. THE CORPORATION by execution of this Declaration assures that all
properties which are conveyed by THE CORPORATION and which are a part of
the “Project” shall be conveyed subject to the terms and conditions of this
Declaration, which shall run with the “Project” and be binding upon all parties having
any right, title or interest in the “Project”, or any part thereof, their heirs, successors
and assigns, and shall inure to the benefit of each Owner.

NOW, Therefore, THE CORPORATION hereby makes this Declaration as follows:

1. Definitions. The following terms as used in this Declaration, unless the context
clearly requires otherwise, shall mean the following:

   a) “Articles” or “Articles of Incorporation” means the Articles of
      Incorporation of the Apple Lake Homeowners Association.
   b) “Board of Directors” means the governing body of the Corporation
      elected by the Members in accordance with the By-Laws of the Corporation.
   c) “Building” means any one of the twenty-one (21) separated structures
      each of which has two Dwelling Units divided by a party wall as hereinafter
      defined.
   d) “By-Laws” shall mean the By-Laws of the Corporation and shall provide
      for the election of Directors and Officers and other governing officials of
      the Corporation. A copy of the By-Laws is incorporated herein by
      reference.
   e) “Common Area” The Common Area shall include all of the real estate
      described in Exhibit “A” (excluding dedicated right-of-way for public
stretches within the “Project”), some of which will be hereafter delineated
General or Limited common area as herein defined Limited Common.

General Common Area refers to those common areas available to all
residents, and guests of residents, and owners of Buildings within the
“Project”. Limited Common Area refers to areas that are limited in use to a
specific Building within the “Project”. Notwithstanding the above, any use of
the Common Areas will be subject to Rules and Regulations herein and as
promulgated and enacted by the Board of Directors.

The Common Areas include these highlights:

- Perimeter fence at or near the North, South and East property lines of
the Project.
- Lake (Substantially as depicted on the recorded Print of the Project).
  This Lake will provide an aesthetic water component within the project while
  also serving as a part of the surface water needs of the Project. No
  representation is made by the Corporation as to the water level to be
  maintained within the Lake. A gazebo type structure is constructed next to the
  lake. The right and limitations of use and maintenance thereof shall be
  determined by the Association as hereinafter detailed.

Limited Common Areas
Each platted Lot within the Project shall be designated limited Common Area.
The centerline of the party wall within the Building on a given Lot when
extended to the property lines of a Lot will, for descriptive and limited use
purposes, establish an A & B component to the Building and Lot so that the
occupant of the A component of the Building will have exclusive use of the
Common Area of the A component of the Lot and the B component of the
Building having the equivalent exclusive use of the B component of the Lot.

f) “Common Expense” means expenses for administration of the
Corporation, and expenses for the upkeep, maintenance, repair and
replacement of the Common Area and the improvements therein and utilities
serving said improvements; the costs of maintaining those portions of the
Buildings hereinafter detailed, and all sums logically associated thereto.

g) “Corporation” means Apple Lake Estates Homeowners Associations,
Inc., its successors and assigns, a not-for-profit corporation, whose members
shall be the Owners of Lots, or appointees as provided in Paragraph 8 of this
Declaration; such Corporation being more particularly described in Paragraph
8 of this Declaration.

h) “ Dwelling Unit” means one of the two living units located within a given
Building upon a given Lot.
i) “Lot” means any plot of ground designated as such upon the recorded Final Plat of the Project.

j) “Member” means a member of the Corporation.

k) “Mortgagee” means the holder of a first mortgage lien on the Dwelling Unit.

l) “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 Dwelling Unit.

2. **Declaration.** The Corporation hereby expressly declares that the Project or any portion thereof shall be held, conveyed and transferred in accordance with the provisions of this declaration.

3. **Description of the Project.** The Project is comprised of 21 Lots and has one Building per Lot, and therefore a maximum of 42 Dwelling Units. The buildings are constructed on The Limited Common Areas. The total of all of the General and Limited Common Area of the Project is all of the real estate of the Project less all dedicated right-of-way for the public streets within the Project. The Common Area and the size of the Lots are as designated on the Final Print of Apple Lake Estates. The Final Plat and Legal Description having been filed in The Hancock Recorders Office September 18, 1995, Cab B/Slide 260 / 95-7670

4. **Ownership of Common Area.** Title to the Common Area shall be held by the Corporation for the use and enjoyment of the Members, all of whom shall have the right and easement of enjoyment in and to the Common Area which right shall pass with title to each Lot, subject to the provisions of this Declaration and subject to the limitation in use for Limited Common Areas, including but not limited to, the following:

   a) The right of the Corporation to charge reasonable admission and other fees for use of any facility within the General Common Area.

   b) The right of the Corporation to suspend any Member from the right to use any facility within the General Common Area for any period during which any assessment against such Member’s Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of the Board’s published rules and regulations.

   c) The right of the Corporation or its Board of Directors to determine the time and manner of use of facilities within the Common Area, if any, by the Members.
d) The right of the Corporation to adopt such rules and regulations regarding the General and Limited Common Area as it deems necessary as provided in Paragraph 9(g).

5. **Delegation of Use of the Common Area.** Any Member may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Corporation, his right of enjoyment, and use of the Common Area and facilities to members of his family.

6. **Patios and Patio Screening Walls (if any) and off street Parking Space.** Each Dwelling Unit shall have the exclusive right to use the driveways and sidewalks exclusively located within the Limited Common Area of the Lot serving the Dwelling Unit in that portion of the Building and the non-exclusive right to use the sidewalks and driveways serving more than one Lot, whether or not such sidewalks or driveways are part of the Lot or located in the Common Area. Such rights to use shall pass with title to the Dwelling Unit even though not expressly mentioned in the document passing title. Each Dwelling Unit shall have the exclusive right to use the patios exclusively serving such Owner’s portion of the Lot on which the Dwelling Unit is situated irrespective of such improvements being in the Owner’s Limited Common Area. Such right to use shall pass with title to the Lot even though not expressly mentioned in the document passing title.

7. **Easement for Utilities.** An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to, water, sewers, gas, telephone and electricity within the Project; provided, however, nothing herein shall permit the installation of sewers, electric lines, water line or other utilities, except as initially designed or approved by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment within the Project and to affix and maintain electrical and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Dwelling Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, the Board of Directors shall have the right to grant such easement within the Project, without conflicting with the terms of this Paragraph. The easements granted herein shall in no way affect any other recorded easement for the Project. 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 Area to perform its duties.

a) Membership in Corporation. Each Owner of a Dwelling Unit which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Corporation and shall remain a Member until such time as his ownership of a Dwelling Unit ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his Dwelling Unit; provided, however, that any person who holds the interest of an Owner in a Dwelling Unit merely as security for the performance of an obligation shall not be a member until and unless he realizes upon his security; at which time he shall automatically be and become an Owner and a Member of the Corporation.

b) Voting Rights. The Corporation shall have one class of membership, with the following voting rights:

Members shall be owners. A member shall be entitled to one (1) vote for each dwelling unit of which such member is the owner with respect to each matter submitted to a vote of members upon which the members are entitled to vote. When more than one (1) person constitutes the owner of a particular dwelling unit, all such persons shall be members of the Corporation, but all of such persons shall have only one (1) vote for such dwelling unit, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such dwelling unit. When an ownership is held by a trust or an immediate family member for the benefit of the resident the owner of record can proxy to the resident their one (1) vote on any and all business coming before an association meeting.

(c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, administration, operation and ownership of the Common Area and for the maintenance, repair and replacement of such exterior portions of the Dwelling Units as designated in this Declaration, to pay taxes assessed against and payable with respect to the Common Area and to pay any other necessary expenses and costs in connection with the Common Area, and to perform such other functions as may be designated for it to perform under this Declaration.
9. Board of Directors.

a) **Management.** The business and affairs of the Corporation shall be
governed and managed by the Board of Directors. No person shall be eligible
to serve as a member of the Board of Directors unless he/she is, or is deemed
in accordance with this Declaration to be an Owner.

b) **Terms.** The initial board of directors were elected for staggering terms:
One (1) for a one year term, two for two year terms and two for three year
terms. At the second annual meeting one director was elected for a three-year
term. At the third annual meeting two directors were elected for three-year
terms. At all following annual meetings the director positions with expiring
terms shall be elected for three-year terms. In the event of any vacancy or
vacancies occurring in the board for any reason or cause whatsoever prior to
the next annual meeting the remaining Board shall appoint an owner to fill
that position until the next annual meeting at which a director or directors
shall be elected to fill the remaining term created by the vacancy. If a director
is removed in accordance with subparagraph, (e) of this paragraph the
replacement director shall be elected by a vote of the owners.

c) **Additional Qualifications.** Where an Owner consists of more than one
person or is a partnership, corporation, trust or other legal entity holding the
dwelling unit for the benefit of the relative resident, 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 Dwelling
Unit may be represented on the Board of Directors by more than one person at
a time.

d) **Term of Office and Vacancy.** Subject to the provisions of subparagraph
(b) of this Paragraph 9, at least one (1) member of the Board of Directors shall
be elected at each annual meeting of the Corporation.

e) **Removal of Directors.** A Director or Directors, except the members of the
Initial Board, may be removed with or without cause by vote of a majority of
the votes entitled to be cast at a special meeting of the owners duly called and
constituted for such purpose. In such case, his/her successor shall be elected at
the same meeting from eligible Owners nominated at the meeting. A Director
so elected shall serve until the next annual meeting of the Owners and until his
successor is duly elected and qualified.

f) **Duties of the Board of Directors.** The Board of Directors shall be the
governing body of the Corporation representing all of the Owners and being
responsible for the functions and duties of the Corporation, including, but not
limited to, providing for the administration of the Project, the management,
maintenance, repair, upkeep and replacement of the Common Area (unless the
same are otherwise the responsibility or duty of Owners), and the
maintenance, repair, upkeep and replacement of such exterior portions of the Dwelling Units as designated in this Declaration, and the collection and disbursement of regular and special assessments collected by the Corporation. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary, provided any such management agreement shall be for a term of three (3) years or less and shall provide that any such agreement may be terminated by either party upon ninety (90) days written notice to the other party. Any decision not to employ a professional property management agent shall require the prior consent of the Owners of at least sixty-seven percent (67%) of the vote and fifty-one percent (51%) of the vote of Mortgagees registered with the Corporation. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

(i) maintenance of the Common Area, unless the same are otherwise the responsibility or duty of Owners of Lots; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, Security service or security system;

(ii) landscaping, painting, decorating, furnishing, maintenance and upkeep of the General Common Areas, and such exterior portions of the Dwelling Units as hereinafter designated in this Declaration. Maintenance of lawns shall include but shall not be limited to the fertilizing, mowing and replanting when necessary of the grass; and the care, fertilizing, trimming, removal and replacement of trees planted by the Developer without any duty to water any such planting. It shall not include the care and maintenance of shrubs, trees which were not planted by the Developer, including flowers or other plants, within the Limited Common Area of any Lot.

(iii) maintenance of lawns within Limited Common Areas consisting of two (2) fertilizations per year, shrub trimming of once per year and the cleaning of gutters at least once per year, however, any watering of grass and/or plantings and any reseeding of grass within the Limited Common Areas shall be the responsibility of the Owner to whom the Common Area is limited;

(iv) snow removal (but no ice removal), if funding exists, for the removal of snow from driveways and sidewalks and porches to the Dwelling Units within the Limited Common Areas if in the Board’s sole determination the accumulation of snow justifies such removal;
(v) assessment and collection from the Owners of each Owner’s respective share of the Common Expenses;

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

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

(viii) keeping a current, accurate and detailed record of receipts and expenditures affecting the Common Area and the business and affairs of the Corporation, specifying and itemizing the Common Expenses; all records and vouchers (including current copies of the Declaration, Articles of Incorporation, By-Laws and Rules) shall be available for examination by an Owner, Mortgagor, insurer or guarantor of a first mortgage at any time during normal business hours;

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

(x) paying taxes assessed against and payable with respect to the Common Area and paying any other necessary expenses and costs in connection with the Common Area, and

(xi) to furnish, upon request of any Mortgagor, insurer or guarantor of first mortgage, a financial statement for the immediately preceding fiscal year.

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

(i) to employ a Managing Agent to assist the Board in performing its duties;

(ii) to purchase, lease or otherwise obtain for the Corporation, to enable it to perform its functions and duties, such equipment, materials, labor and services a may be necessary in the judgment of the Board of Directors;
(iii) to employ legal counsel, architects, contractors, accountants and others as in the judgement of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;

(iv) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;

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

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

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

(viii) 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 the Project known as Apple Lake Estates; and

(ix) to enter the Dwelling Unit of any Owner in case of any emergency whether the Owner is present at the time or not and in the case of non-emergency repairs to enter the Dwelling Unit provided the request is made in advance and is at a time reasonably convenient to the Owner.

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

(i) contracts for replacing or restoring portions of the Common Area damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
(ii) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting: and

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

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

j) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation.

k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, their heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that such person is or was a Director of the Corporation, against the reasonable expenses, including attorneys’ fees, actually and necessarily incurred by such person 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 relating to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of such Director’s duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of the Director’s 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 the Director failed or
neglected to attend a meeting or meetings of the Board of Directors.

1) Bond. The Board of Directors shall provide blanket fidelity bonds for the
Managing Agent (if any), 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 three (3) months
aggregate assessments on all Dwelling 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 ten (10) days prior
written notice to the Corporation. The expense of any such bonds shall be a
Common Expense.

10. Real Estate Taxes. Real estate taxes are to be separately assessed for each
Dwelling Unit only (excludes Limited Common Area associated with that Dwelling
Unit) and taxed to each such Dwelling Unit owner. The General and Limited
Common Areas are to be separately assessed from the Dwelling Unit and taxed to the
Association. In the event that for any year the real estate taxes are not so separately
assessed and instead are taxed as a whole, then each Owner shall pay his
proportionate share of the real estate taxes assessed for all of the Dwelling Unit,
which shall be the ratio that the square footage that a given Dwelling Unit bears to the
total square footage of all of the Dwelling Unit included in the tax statement. Any real
estate taxes or other assessments, which are chargeable against the Common Area
shall be paid by the Corporation and treated as a Common Expense.

11. Utilities. Each Owner shall pay for his own utilities, which are separately
metered. Utilities not separately metered shall be treated as and paid as part of the
Common Expense unless otherwise determined by the Corporation.

12. Maintenance, Repairs and Replacements. The Owner of each Lot shall furnish
and be responsible for, at his or her own expense, all the maintenance, repairs,
decorating and replacements within such Owner’s residence, including the heating
and air conditioning system (consisting of the air conditioner pad, piping, wiring,
ductwork, and caulking/repairs to the exit hole(s) in foundation wall), any
partitions and interior walls; for the maintenance, repair and replacement of all
windows in his or her residence, all doors leading into the residence (this shall consist

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of all entry doors including storm doors, enclosed atrium doors, and the garage door all door locks, frames, door bells, hinges, hardware, garage door tracks, springs, pulleys, openers and all other pertinent equipment. In addition to the aforementioned maintenance responsibilities the Board of Directors has promulgated rules and regulations which assign the maintenance responsibility of the Limited Common Areas to the Lot Owner as follows:

Decks and exterior handrails; patio wall dividers, fences and gates; decorative porch, patio, yard and flood lights; telephone cable, television cable, electrical wiring, gas lines, plumbing lines, sump pumps and waterlines; exterior electrical outlet, exterior and interior faucets for hose, concrete garage slab and concrete inside fenced patio area, also the landscaping inside this Limited Common Area and patio.

The Association shall provide exterior maintenance upon the buildings constructed upon the Lots and on the Common Area adjacent thereto as follows: paint, repair, replace, maintain and care for roofs, gutters, downspouts, exterior building surfaces, such exterior building surfaces shall not include windows or glass surfaces and skylights. Nor shall it include doors and doorways and/or window frames; and other exterior improvements, lawns, shrubs and trees. The Association will remove snow (not ice) from sidewalks and driveways only. Such maintenance shall be provided at regular intervals pursuant to a reasonable schedule to be determined by the Association, and at other times in the case of an emergency.

In the event that the need for any such maintenance or repair is caused through the willful or negligent act of the Owner, or his or her family, guests, or invitees, the cost of such maintenance or repairs shall be recoverable through a special assessment added to the Regular Monthly Assessment to which such Lot is subject.

Notwithstanding any obligation or duty of the corporation to repair or maintain any Dwelling Unit or the Common Area, if due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If the Board of Directors grants a particular owner of a Dwelling Unit the right to place within its associated Limited Common Area a mini barn, fence, vegetable garden, additional trees and shrubs over those initially planted at the first conveyance of a Deed to an owner for a particular Dwelling Unit and as part of the grant that an additional assessment is appropriate because it impedes the Association maintenance of this Limited Common Area, then this additional assessment shall be paid in a manner and time as specified by the Board Of Directors. If not paid by such Owner upon demand by the Corporation the cost of repairing such damage and/or the
charge for the additional assessment established by the Board of Directors shall be added to and become a part of the assessment to which such Owner's Dwelling Unit is subject.

If any Owner shall fail so to maintain and keep his property or any part thereof in a good, clean and sanitary condition, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner's assessment, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's property.

So long as the Project is subject to this Declaration each Owner, by his acceptance of a deed to any Dwelling Unit, irrevocably grants to the Corporation, its agents and employees, the right to enter in and upon the Dwelling Unit owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair or other work contemplated herein.

13. **Architectural Control.**

a) **Purposes.** The Board of Directors shall regulate the external design, appearance, use, location and maintenance of the Dwelling Unit and of improvements with the Limited Common Area serving the Dwelling Unit in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.

b) **Conditions.** No improvements, alterations, repairs, change of colors, excavation, changes in grade, additional landscaping, or other work which in any way alters the exterior of a Dwelling Unit, or the improvements located within the Limited Common Area serving a given Dwelling Unit from its natural or improved state existing on the date such Dwelling Unit was first conveyed in fee to any Owner shall be made or done without the prior approval of the Board of Directors. Except as otherwise expressly provided in this Declaration, no building, fence, wall, Dwelling Unit, or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Board of Directors.

c) **Maintenance of Architectural Control.** The Association may not waive or abandon the procedure for regulating and enforcing the architectural design or exterior appearance of the Dwelling Units nor for maintaining the exterior of the Dwelling Units or the Common Area including the upkeep of common fences, driveways, lawns and plantings without the prior written approval of all Owners and all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of any Dwelling Unit within the Project and which connects two Dwelling Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligent or intentional or willful acts or omissions shall apply thereto.

b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall, proportionately.

c) Destruction by Fire or other Causality. If any party wall is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance maintained by any of the Owners who make use of such party wall, and repaired out of the proceeds of same, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent, intentional or willful acts or omissions.

d) Weatherproofing. Notwithstanding any other provision of this Article, to the extent that such damage is not covered and paid by the insurance provided for herein, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

e) Right of Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this article shall be appurtenant to the land and shall pass to such Owner's successors in title.

f) Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Paragraph 15, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. (Should any party refuse to appoint an arbitrator within ten (10) days after written request therefore from another party the Board of Directors of the Corporation shall select an arbitrator for the refusing party.) The cost of the arbitrators shall be borne equally by the parties.
15. Assessments.

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

b) Proposed Annual Budget. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption, and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Owners; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis.

The annual budget may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Area and such exterior portion of the Dwelling Units as designated in this Declaration, which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary repair expenses. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Area and such exterior portion of the Dwelling Units as designated in this Declaration shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion, Hancock and surrounding counties, Indiana selected from time to time by the Board.

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

c) Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Dwelling Unit, which shall be the same amount for each Dwelling Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Dwelling Unit (herein called the “Regular Assessment”). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Dwelling Unit based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessment shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Dwelling Unit shall be paid in advance in equal monthly installments commencing on the first day of the first month of each fiscal year and monthly thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay assessments quarterly, semi-annually or annually, in advance. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget.

(i) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment, and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or

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

The Regular Assessment for the current fiscal year of the Corporation shall become a lien on each separate Dwelling Unit as of the First day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner who has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers his Dwelling Unit or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Dwelling Unit from payment of the Regular Assessment for such Dwelling Unit as finally determined, and such Owner and his successor as Owner of such Dwelling Unit shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 17 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be mailed or delivered may rely thereon and shall be bound by such final determinations. Monthly installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

d) Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and provided that such assessment shall have the assent of two-thirds (2/3rds) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Dwelling Unit, prorated in equal shares (herein called "Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the
cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefore under the circumstances described in this Declaration.

e) The Corporation may enter into a management agreement in accordance with the provisions of Paragraph 10 of this Declaration. So long as such management agreement, or similar agreement, remains in effect, the common expenses and regular assessments shall be paid by the owners to the management agent.

Each Owner hereby authorizes the Corporation and the Board of Directors and its officers to enter into the aforesaid management agreement described in Paragraph 10 of this Declaration and to adhere to and abide by the same.

The monthly regular assessment shall be established by the Board of Directors based upon the budget approved at the Annual Meetings. This assessment shall commence on the first of the month after the date of the annual meeting. Such monthly charge shall defray the owner’s obligation for his share of common expenses or shall be the owner’s entire regular assessment.

f) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying Regular Assessments and Special Assessments or from contributing toward the Common Expense or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Area or by abandonment of the Dwelling Unit belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment or Special Assessment when due, the lien for such assessment on the Owner’s Dwelling 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. Upon the failure of the owner to make timely payments of any Regular Assessment or Special Assessment when due the Board may in its discretion accelerate the entire balance of unpaid assessments in such event the Owner and any occupant of the Dwelling Unit shall be jointly and severally liable for the payment to the Corporation of reasonable rental for such Dwelling Unit and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Dwelling Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular Assessments or Special Assessments. The Board may at its option bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In actions to recover a Regular Assessment or Special Assessment, whether by foreclosure or otherwise, the Board shall be entitled to recover from the Owner of the respective Dwelling Unit costs and expenses.
of such action incurred (including, but not limited to, reasonable attorney’s fees) and interest from the date such assessments were due until paid at the rate equal to the publicly announced prime interest rate then being charged by any National Bank in Marion County, Indiana, selected by the Board of Directors, to its largest and best corporate customer. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage.

g) Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in this Declaration, the Articles or the By-Laws, any sale or transfer of a Dwelling Unit to a mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior owner from personal liability therefore, no such sale, transfer or conveyance shall relieve the Dwelling Unit or the purchaser at such foreclosure sale or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular Assessments or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments or Special Assessments, the lien for which has be divested as aforesaid shall be deemed to be a Common Expense collectible from all Owners (including the party acquiring the subject Dwelling Unit from which it arose).


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

The Corporation shall, upon request of a Mortgagee who has furnished the Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its
borrower of any obligations of such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days.

b) 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 Dwelling Unit, furnish to such Mortgagee or purchaser a statement setting the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Dwelling Unit, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Dwelling Unit shall not be liable for nor shall the Dwelling Unit 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 Paragraph 16(b) hereof.

c) 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 Common Area or to secure new hazard insurance for the Common Area on the lapse of a policy. Any Mortgagee making such payment shall be owed immediately reimbursement by the Corporation.

d) Notice of Condemnation or Casualty Loss. Mortgagees shall be timely notified of any condemnation loss which affects a material portion of Apple Lake Estates or any Dwelling Unit. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.

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

17. Insurance.

a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring all of the Dwelling Units and the Common Area in an amount consonant with the full replacement value of the improvements which in whole or in part, comprise the Dwelling Units and Common Area and which includes in said coverage the replacement in the event of casualty of Dwelling Units floor and wall coverings. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. 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. Such insurance coverage
shall be for the benefit of each Owner, and if applicable, the Mortgagee of each Owner upon the terms and conditions hereinafter set forth.

All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Corporation as hereinafore set forth shall be paid to it or to the Board of Directors, who shall act as the insurance trustees and hold such proceeds for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Corporation or Board of Directors, as appropriate, and only in accordance with the provisions of this Declaration and any surety bond or bonds obtained by the Board of Directors concerning the officers of the Corporation as provided in the By-Laws shall specifically include protection for any insurance proceeds so received.

The interest of each damaged Owner in the trust fund of insurance proceeds shall be the ratio of the direct damage of such Owner's damaged Dwelling Unit to the damages of all Dwelling Units and Common Area directly damaged by any event insured under the said master casualty insurance policy.

Such master casualty insurance policy, and "all risk" coverage, if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests, and (b) contains an endorsement that such policy shall not be terminated for nonpayment of premiums or for any other reason or shall not be substantially modified without at least ten (10) days prior written notice to Mortgagees and at least ten (10) days prior written notice to the Corporation.

Each Owner shall be solely responsible for loss or damage to the contents of his Dwelling Unit however caused (including, but not limited to, all floor, ceiling and wall covers and fixtures, betterments and improvements installed by him) and his personal property stored elsewhere within the Project and the Corporation shall have no liability to the Owner for loss or damage to the contents of any Dwelling Unit or any personal property stored elsewhere within the Project. 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 own expense as he may deem necessary.

b) Public Liability Insurance. The Corporation shall also purchase a master comprehensive public liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time but not less than $1,000,000 for bodily injury, including deaths of person and property damage arising out of a single occurrence. Such comprehensive public liability insurance policy shall cover the Corporation, the Board of Directors,
any committee of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Project, all Owners of Dwelling Units and all other persons entitled to occupy any Dwelling Unit. Such public liability insurance policy shall contain a “severability of interest” clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Corporation or other Owners. Such public liability insurance policy shall contain a provision that such policy shall not be cancelled or substantially modified without at least ten (10) days written notice to the Corporation.

c) Other Insurance: The Corporation shall also obtain any other insurance required by law to be maintained, including but not limited to, workmen’s compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers’ and directors’ liability policies. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Corporation, the Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.

d) General Provisions. The premiums for all insurance herein above described shall be paid by the Corporation as part of the Common Expenses. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Corporation, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or Mortgagee whose interest may be affected thereby, which notice shall be furnished by the officer of the Corporation who is required to send notice of meeting of the Corporation.

In no event shall any distribution of insurance proceeds be made by the Board of Directors directly to an Owner where there is a mortgagee endorsement on the certificate of insurance or insurance policy as it applies to such Owner’s share of such proceeds. In such event any remittances shall be to the Owner and his Mortgagee jointly. The same method of distribution shall also apply to the distribution of any condemnation awards in connection with any taking of any of the Common Area. In the event of condemnation of all or any part of the Common Area the Corporation, as owner of the Common Area, shall represent the Owners in any negotiation or settlement regarding such condemnation. No Owners or any other party shall have priority over any rights of a mortgagee pursuant to its mortgage in the case of distribution to
such Owners of insurance proceeds or condemnation awards for losses to or a
taking of Common Area. Notwithstanding the foregoing, under no
circumstances shall any distribution of insurance proceeds or condemnation
awards be made by the Corporation to any Owners or Mortgagees if to do so
would be in violation of the Indiana Not-For-Profit Corporation Act or if the
same would constitute a distribution of earnings, profits or pecuniary gain to
the members of the Corporation; in any such event, any such insurance
proceeds or condemnation awards shall be retained by the Corporation for use
in the payment of its expenses of operation.

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

f) Condemnation Awards. All proceeds payable as a result of condemnation
shall be paid to the Corporation who shall act as trustee and hold such
proceeds for the benefit of the individual Owners and Mortgagees. Such
proceeds shall be distributed as provided above.

18. Casualty of Dwelling Units.

a) Restoration of Dwelling Units.

(i) Damage to or destruction of any Dwelling Unit due to fire or any
other casualty or disaster shall be promptly repaired and reconstructed
by the Corporation and the proceeds of insurance, if any, shall be
applied for that purpose.

(ii) If the insurance proceeds, if any, received by the Corporation as a
result of any such fire or any other casualty or disaster are not
adequate to cover the cost of repair and reconstruction, or in the event
there are no insurance proceeds, the cost for restoring the damage and
repairing and reconstructing the Dwelling Units so damaged or
destroyed (or the costs thereof in excess of insurance proceeds
received, if any) shall be paid by the Owners of the Dwelling Units
damaged in proportion to the ratio that damages to an Owner’s
Dwelling unit have to the total damage to all Dwelling Units that are
damaged. Any such amounts payable by the Owners of damaged
Dwelling Units shall be assessed as part of the Common Expenses and
shall constitute a lien from the time of assessment as provided herein.

(iii) For purposes of subparagraphs (1) and (2) above, repair,
reconstruction and restoration shall mean construction or rebuilding of
the Dwelling Units to as near as possible the same condition as they
existed immediately prior to the damage or destruction and with the
same type of architecture.
(iv) Immediately after a fire or other casualty or disaster causing damage to any property for which the Board of Directors or Association has the responsibility of maintenance and repair, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

(v) The proceeds of insurance collected on account of any such casualty, and the sums received by the Board of Directors from collections of assessments against the Owners on account of such casualty, shall constitute a construction fund which shall be disbursed, if the Dwelling Units are to be reconstructed and repaired, in payment of the costs of reconstruction and repair in the following manner:

(1) The construction fund shall be disbursed in payment of such costs upon the selection of a general contractor employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The general contractor shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, sub-contractors, material men, or other persons who have rendered services or furnished materials in connection with the work, (1) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (2) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (3) that the costs, as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, do not exceed the amount of the construction fund remaining after payment of the sum so requested.

(2) Encroachments upon or in favor of Dwelling Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the Dwelling Units were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Dwelling Units stand.

(3) In the event that there is any surplus of monies in the construction funds after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums
shall be distributed to the Owners of the Dwelling Units affected and their Mortgagees who are the beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damaged Dwelling Units shall not constitute a waiver of any rights against another Owner for committing willful or malicious damage.

b) Restoration of Common Area. In the event of damage to or destruction of any of the Common Area due to fire or any other casualty or disaster, the Corporation shall promptly cause the same to be repaired and reconstructed. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

In the event the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the Common Area, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Common Area so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

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.

19. Covenants and Restrictions (Use & Occupancy Restrictions). The following covenants and restrictions on the use and enjoyment of the Dwelling Units and General and Limited Common Areas shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner or by the Corporation. Present or future owners or the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation.
a) Use Restrictions

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

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

(iii) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit or the Common Area. The Board of Directors determination as to what is a nuisance shall be conclusive.

(iv) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling 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 things 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 of Directors.

(v) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit 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 or kept within a fenced area of the Limited Common Area associated with a particular Dwelling Unit and an Owner shall be fully liable for any injury or damage to persons or property, including the Common Area, caused by his pet. The tethering of pets in any area outside an Owner’s fenced patio does not constitute “attended”. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Project within ten (10) days after written notice from the Board to the respective Owner to do so.

(vi) All rubbish, trash or garbage shall be stored in closed sanitary containers in areas designated by the Corporation, shall be regularly
removed from the premises, and shall not be allowed to accumulate on any part of the Lot. Trash may be stored in enclosed containers provided by the Corporation for that purpose. All clotheslines shall be confined to patio areas and shall be below the height of the patio fence. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed so as to be visible from any part of the Limited Common Area associated with a particular Dwelling Unit. Such Limited Common Area shall be kept free and clear of rubbish, debris and other unsightly materials.

(vii) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on and within the Project, except those home occupations which are permitted by applicable zoning regulations in Hancock County, Indiana.

(viii) No "for sale" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the Dwelling Unit or Limited Common Area associated therewith by an Owner without the prior consent of the Board; provided, however, that the right is reserved by the Board to place or allow to be placed "for sale" signs on or about the Project in connection with any unsold or unoccupied Dwelling Units. No Owner may rent or lease his dwelling for any intents or purposes.

(ix) 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 General or Limited 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 such Common Area.

(x) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than 1 ton), motorcycles, minibikes, or mopeds shall be permitted, parked or stored anywhere within the Project except as otherwise specifically permitted by the Board. No repair work shall be done on the Lot on any vehicles, including passenger automobiles.

(xi) No Owner shall be allowed to plant trees, landscape or do any gardening in any of its Limited Common Area, except with express permission from the Board.
(xii) Common Area 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.

(xi) No owner may own more than one (1) Dwelling Unit at the
same time, unless on (1) legitimately for sale at a sellable price,
and with written Board approval, provided that while for sale, is not occupied.

(xv) No motorized boating or sailboats shall be permitted on the Lake.

(xvi) Private dock facilities may not be installed on or to the Lake.

(xvii) No swimming shall be permitted on the Lake.

(xviii) Any fishing from the Lake shall occur entirely from the banks of
the Lake, as regulated by the Corporation.

(xvix) Fishing is permitted by residents and family members only with the
requirement that a resident member be at home while family members are
fishing. There is to be no fishing after dark. All children must be accompanied
by an adult at the Lake.

b) Occupancy Restrictions

EACH CONVEYANCE OF A DWELLING UNIT IS SUBJECT TO THE
RESTRICTIVE OCCUPANCY CONCERNANT THAT NO ONE UNDER
THE AGE OF FIFTY-FIVE (55) SHALL OCCUPY SAID DWELLING
UNIT EXCEPT:

- A LIVE IN CARETAKER OR
- HANDICAPPED CHILD OR CHILDREN OR
- A SPOUSE UNDER THE AGE OF 55 YEARS

UNLESS APPROVED BY A MAJORITY OF THE VOTING MEMBERS
OF THE ASSOCIATION. THIS RESTRICTION SHALL BE A
COVENANT RUNNING WITH THE LAND ON WHICH THE DWELLING UNIT IS
SITUATED.

20. Amendment of Declaration

a) Generally. Except as otherwise provided in the Declaration, amendments
to this Declaration shall be proposed and adopted in the follow manner:
(iii) 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.

(iv) Adoption. Any proposed amendment to this Declaration must be approved by a vote of not less than fifty percent (50%) in the aggregate of the votes of all Owners. In the event any 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.

(v) 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 of Paragraph 18 with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 19 of this Declaration with respect to reconstruction or repair of the Common Area or Dwelling Units in the event of fire or any other casualty or disaster, (4) the provisions of Paragraph 16 of this Declaration with respect to the commencement of assessments on any Dwelling Unit, without, in each any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

(vi) Additional Special Amendments. No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for and responsibility for maintenance, repair and replacement of the Common Area and Dwelling Units, or (3) right to use the Limited Common Area, or (4) annexation of property to Apple Lake Estates, or (5) termination of the applicability of this Declaration, or (6) any provisions which are for the express benefit of Mortgagees without the consent of at least sixty-six and two-thirds percent (66-2/3%) of the votes of the Owners for the first twenty (20) years after recording of this Declaration and thereafter at least fifty percent (50%) of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages.

(vii) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall be recorded in the Office of the Recorder of Hancock County, Indiana, and such amendment shall not become effective until so recorded.
(viii) 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.

21. Acceptance and Ratification. All present and future Owners, Mortgagees, and occupants of the Dwelling Units shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the By-Laws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may lie amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Dwelling Unit shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, 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, or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Dwelling Unit as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage. All persons, corporations, partnership, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Dwelling Unit in any manner shall be subject to the declaration, the Articles of Incorporation, By Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

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

23. Costs and Attorneys' 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, the By-Laws, or the rules and regulations adopted pursuant thereto as each may be amended from time to time, the Corporation shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.

24. 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 Area or by abandonment of his Dwelling Unit.
25. **Severability Clause.** The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles or the By-Laws, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles, or the By-Laws, and each shall be enforced to the greatest extent permitted by law.

26. **Pronouns.** 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. And the singular shall include and refer to the plural and vice versa as appropriate.

27. **Interpretation.** The captions and titles of the various articles, section, subsections, paragraphs and subparagraphs 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.
Third Amendment to Declaration of Covenants and Restrictions

Of

APPLE LAKE ESTATES PROPERTY OWNERSHIP

In compliance with the Declaration of covenants and restrictions of Apple Lake Estates property ownership, the owner of the corporation approved the attached third amendment to Declaration, dated August 18, 2007, by a majority vote of owners. As required by the covenants at least 66 2/3% of the vote of the owners. The final vote tally was as follows:

81% of the owners approved the third amendment

In accordance with said vote, the third amendment is hereby approved and will be recorded in Hancock County, State of Indiana.
IN WITNESS WHEREOF, the undersigned being duly authorized by appropriate Corporate action has caused this third Amendment to the Declaration to be executed the day and year first above written.

APPLE LAKE HOMEOWNERS ASSOCIATION, INC

By: Wilbur R. Althoft

President

Dale J. Friddle

Secretary

STATE OF INDIANA ) SS:
COUNTY OF Hancock

Before me, a Notary Public, in and for said County and State, personally appeared
Wilbur R. Althoft, President of Apple Lake Homeowners Association, Inc. an Indiana Corporation, who acknowledged the execution of the foregoing Third Amendment to the Declarations and Covenants of APPLE LAKE ESTATES Property Ownership for and on behalf of said corporation.

Dale J. Friddle, Secretary

Witness my hand and Notarial Seal this 16 day of, October 2007

Notary Public

My Commission Expires:
4-14-15

Printer

County of Residence Hancock

This Instrument Prepared By:
Apple Lake Estates Homeowners Association, Inc.
Board of Directors
Under Counsel of:
MILO GGRAY, Jr.
Attorney at Law
426 West Walnut St.
Greenfield, IN 46140
Attorney # 7268-49

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.
SECOND AMENDMENT
TO THE
DECLARATION OF COVENANTS AND RESTRICTIONS
OF
APPLE LAKE ESTATES PROPERTY OWNERSHIP

This Instrument Prepared By:
Apple Lake Estates Homeowners Association
Board of Directors
Under Counsel of:
MILO G. GRAY, Jr.
Attorney at Law
426 West Walnut St.
Greenfield, IN. 46140
FOREWARD:

This document was prepared by the Board of Directors of The Apple Lake Estates Homeowners Association for the purpose of eliminating the confusing references to the advantages of the Project Developer, initially referred to as "Declarant". The areas of concern were in voting, replacing board members, membership classes, utility easements, management agents and renting or leasing units.

This second amendment is to succeed the initial Declarations of Covenants and Code of By Laws. Most paragraphs are identical to the original documents but are under new numerical headings. This amendment is to be the legal document of reference in instances of dispute.

This Second Amendment was approved by Thirty (30) of the Thirty five (35) Owners voting at the Seventh Annual Meeting held on August 16, 2003 as recorded in the minutes of that meeting.

Don Schlegel, Secretary

Date August 03, 2004
DECLARATION OF COVENANTS AND RESTRICTIONS OF
APPLE LAKE ESTATES PROPERTY OWNERSHIP

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SECOND AMENDMENT
TO DECLARATION OF COVENANTS AND RESTRICTIONS
OF
APPLE LAKE ESTATES PROPERTY OWNERSHIP

THIS AMENDMENT TO THE DECLARATION made this 16th Day of August 2003
by THE APPLE LAKE ESTATES HOMEOWNERS ASSOCIATION INC., an
INDIANA CORPORATION

WITNESSETH:

WHEREAS, the following facts are true:

A. THE CORPORATION is the sole owner in fee simple title to certain real estate
located in Hancock County, Indiana, more particularly described in the attached
Exhibit “A”, which are incorporated herein by reference and is hereinafter referred to
as “Project”.

B. THE CORPORATION by execution of this Declaration assures that all
properties which are conveyed by THE CORPORATION and which are a part of
the “Project” shall be conveyed subject to the terms and conditions of this
Declaration, which shall run with the “Project” and be binding upon all parties having
any right, title or interest in the “Project”, or any part thereof, their heirs, successors
and assigns, and shall inure to the benefit of each Owner.

NOW, Therefore, THE CORPORATION hereby makes this Declaration as follows:

1. Definitions. The following terms as used in this Declaration, unless the context
clearly requires otherwise, shall mean the following:

   a) “Articles” or “Articles of Incorporation” means the Articles of
      Incorporation of the Apple Lake Homeowners Association.
   b) “Board of Directors” means the governing body of the Corporation
      elected by the Members in accordance with the By-Laws of the Corporation.
   c) “Building” means any one of the twenty-one (21) separated structures
      each of which has two Dwelling Units divided by a party wall as hereinafter
      defined.
   d) “By-Laws” shall mean the By-Laws of the Corporation and shall provide
      for the election of Directors and Officers and other governing officials of
      the Corporation. A copy of the By-Laws is incorporated herein by
      reference.
   e) “Common Area” The Common Area shall include all of the real estate
      described in Exhibit “A” (excluding dedicated right-of-way for public
The Common Areas include these highlights:

- Perimeter fence at or near the North, South and East property lines of the Project.
- Lake (Substantially as depicted on the recorded Print of the Project). This Lake will provide an aesthetic water component within the project while also serving as a part of the surface water needs of the Project. No representation is made by the Corporation as to the water level to be maintained within the Lake. A gazebo type structure is constructed next to the lake. The right and limitations of use and maintenance thereof shall be determined by the Association as hereinafter detailed.

Limited Common Areas
Each platted Lot within the Project shall be designated limited Common Area. The centerline of the party wall within the Building on a given Lot when extended to the property lines of a Lot will, for descriptive and limited use purposes, establish an A & B component to the Building and Lot so that the occupant of the A component of the Building will have exclusive use of the Common Area of the A component of the Lot and the B component of the Building having the equivalent exclusive use of the B component of the Lot.

f) “Common Expense” means expenses for administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Common Area and the improvements therein and utilities serving said improvements; the costs of maintaining those portions of the Buildings hereinafter detailed, and all sums logically associated thereto.

g) “Corporation” means Apple Lake Estates Homeowners Associations, Inc., its successors and assigns, a not-for-profit corporation, whose members shall be the Owners of Lots, or appointees as provided in Paragraph 8 of this Declaration; such Corporation being more particularly described in Paragraph 8 of this Declaration.

h) “Dwelling Unit” means one of the two living units located within a given Building upon a given Lot.
i) “Lot” means any plot of ground designated as such upon the recorded Final Plat of the Project.

j) “Member” means a member of the Corporation.

k) “Mortgagee” means the holder of a first mortgage lien on the Dwelling Unit.

l) “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 Dwelling Unit.

2. Declaration. The Corporation hereby expressly declares that the Project or any portion thereof shall be held, conveyed and transferred in accordance with the provisions of this declaration.

3. Description of the Project. The Project is comprised of 21 Lots and has one Building per Lot, and therefore a maximum of 42 Dwelling Units. The buildings are constructed on The Limited Common Areas. The total of all of the General and Limited Common Area of the Project is all of the real estate of the Project less all dedicated right-of-way for the public streets within the Project. The Common Area and the size of the Lots are as designated on the Final Print of Apple Lake Estates. The Final Plat and Legal Description having been filed in The Hancock Recorders Office September 18, 1995, Cab B/ Slide 260 / 95-7670

4. Ownership of Common Area. Title to the Common Area shall be held by the Corporation for the use and enjoyment of the Members, all of whom shall have the right and easement of enjoyment in and to the Common Area which right shall pass with title to each Lot, subject to the provisions of this Declaration and subject to the limitation in use for Limited Common Areas, including but not limited to, the following:

   a) The right of the Corporation to charge reasonable admission and other fees for use of any facility within the General Common Area.

   b) The right of the Corporation to suspend any Member from the right to use any facility within the General Common Area for any period during which any assessment against such Member’s Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of the Board’s published rules and regulations.

   c) The right of the Corporation or its Board of Directors to determine the time and manner of use of facilities within the Common Area, if any, by the Members.
d) The right of the Corporation to adopt such rules and regulations regarding the General and Limited Common Area as it deems necessary as provided in Paragraph 9(g).

5. Delegation of Use of the Common Area. Any Member may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Corporation, his right of enjoyment, and use of the Common Area and facilities to members of his family.

6. Patios and Patio Screening Walls (if any) and off street Parking Space. Each Dwelling Unit shall have the exclusive right to use the driveways and sidewalks exclusively located within the Limited Common Area of the Lot serving the Dwelling Unit in that portion of the Building and the non-exclusive right to use the sidewalks and driveways serving more than one Lot, whether or not such sidewalks or driveways are part of the Lot or located in the Common Area. Such rights to use shall pass with title to the Dwelling Unit even though not expressly mentioned in the document passing title. Each Dwelling Unit shall have the exclusive right to use the patios exclusively serving such Owner’s portion of the Lot on which the Dwelling Unit is situated irrespective of such improvements being in the Owner’s Limited Common Area. Such right to use shall pass with title to the Lot even though not expressly mentioned in the document passing title.

7. Easement for Utilities. An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to, water, sewers, gas, telephone and electricity within the Project; provided, however, nothing herein shall permit the installation of sewers, electric lines, water line or other utilities, except as initially designed or approved by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment within the Project and to affix and maintain electrical and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Dwelling Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, the Board of Directors shall have the right to grant such easement within the Project, without conflicting with the terms of this Paragraph. The easements granted herein shall in no way affect any other recorded easement for the Project. 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 Area to perform its duties.

a) Membership in Corporation. Each Owner of a Dwelling Unit which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Corporation and shall remain a Member until such time as his ownership of a Dwelling Unit ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his Dwelling Unit; provided, however, that any person who holds the interest of an Owner in a Dwelling Unit merely as security for the performance of any obligation shall not be a member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Corporation.

b) Voting Rights. The Corporation shall have one class of membership, with the following voting rights:

Members shall be owners. A member shall be entitled to one (1) vote for each dwelling unit of which such member is the owner with respect to each matter submitted to a vote of members upon which the members are entitled to vote. When more than one (1) person constitutes the owner of a particular dwelling unit, all such persons shall be members of the Corporation, but all of such persons shall have only one (1) vote for such dwelling unit, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such dwelling unit. When an ownership is held by a trust or an immediate family member for the benefit of the resident the owner of record can proxy to the resident their one (1) vote on any and all business coming before an association meeting.

c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, administration, operation and ownership of the Common Area and for the maintenance, repair and replacement of such exterior portions of the Dwelling Units as designated in this Declaration, to pay taxes assessed against and payable with respect to the Common Area and to pay any other necessary expenses and costs in connection with the Common Area, and to perform such other functions as may be designated for it to perform under this Declaration.
9. Board of Directors.

a) Management. The business and affairs of the Corporation shall be
governed and managed by the Board of Directors. No person shall be eligible
to serve as a member of the Board of Directors unless he/she is, or is deemed
in accordance with this Declaration to be an Owner.

b) Terms. The initial board of directors were elected for staggering terms:
One (1) for a one year term, two for two year terms and two for three year
terms. At the second annual meeting one director was elected for a three-year
term. At the third annual meeting two directors were elected for three-year
terms. At all following annual meetings the director positions with expiring
terms shall be elected for three-year terms. In the event of any vacancy or
vacancies occurring in the board for any reason or cause whatsoever prior to
the next annual meeting the remaining Board shall appoint an owner to fill
that position until the next annual meeting at which a director or directors
shall be elected to fill the remaining term created by the vacancy. If a director
is removed in accordance with subparagraph, (e) of this paragraph the
replacement director shall be elected by a vote of the owners.

c) Additional Qualifications. Where an Owner consists of more than one
person or is a partnership, corporation, trust or other legal entity holding the
dwelling unit for the benefit of the relative resident, 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 Dwelling
Unit may be represented on the Board of Directors by more than one person at
a time.

d) Term of Office and Vacancy. Subject to the provisions of subparagraph
(b) of this Paragraph 9, at least one (1) member of the Board of Directors shall
be elected at each annual meeting of the Corporation.

e) Removal of Directors. A Director or Directors, except the members of the
Initial Board, may be removed with or without cause by vote of a majority of
the votes entitled to be cast at a special meeting of the owners duly called and
constituted for such purpose. In such case, his/her successor shall be elected at
the same meeting from eligible Owners nominated at the meeting. A Director
so elected shall serve until the next annual meeting of the Owners and until his
successor is duly elected and qualified.

f) Duties of the Board of Directors. The Board of Directors shall be the
governing body of the Corporation representing all of the Owners and being
responsible for the functions and duties of the Corporation, including, but not
limited to, providing for the administration of the Project, the management,
maintenance, repair, upkeep and replacement of the Common Area (unless the
same are otherwise the responsibility or duty of Owners), and the
maintenance, repair, upkeep and replacement of such exterior portions of the Dwelling Units as designated in this Declaration, and the collection and disbursement of regular and special assessments collected by the Corporation. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the “Managing Agent”) upon such terms as the Board shall find, in its discretion, reasonable and customary, provided any such management agreement shall be for a term of three (3) years or less and shall provide that any such agreement may be terminated by either party upon ninety (90) days written notice to the other party. Any decision not to employ a professional property management agent shall require the prior consent of the Owners of at least sixty-seven percent (67%) of the vote and fifty-one percent (51%) of the vote of Mortgagees registered with the Corporation. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

(i) maintenance of the Common Area, unless the same are otherwise the responsibility or duty of Owners of Lots; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, Security service or security system;

(ii) landscaping, painting, decorating, furnishing, maintenance and upkeep of the General Common Areas, and such exterior portions of the Dwelling Units as hereinafter designated in this Declaration. Maintenance of lawns shall include but shall not be limited to the fertilizing, mowing and replanting when necessary of the grass; and the care, fertilizing, trimming, removal and replacement of trees planted by the Developer without any duty to water any such planting. It shall not include the care and maintenance of shrubs, trees which were not planted by the Developer, including flowers or other plants, within the Limited Common Area of any Lot.

(iii) maintenance of lawns within Limited Common Areas consisting of two (2) fertilizations per year, shrub trimming of once per year and the cleaning of gutters at least once per year, however, any watering of grass and/or plantings and any reseeding of grass within the Limited Common Areas shall be the responsibility of the Owner to whom the Common Area is limited;

(iv) snow removal (but no ice removal), if funding exists, for the removal of snow from driveways and sidewalks and porches to the Dwelling Units within the Limited Common Areas if in the Board’s sole determination the accumulation of snow justifies such removal;
(v) assessment and collection from the Owners of each Owner’s respective share of the Common Expenses;

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

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

(viii) keeping a current, accurate and detailed record of receipts and expenditures affecting the Common Area and the business and affairs of the Corporation, specifying and itemizing the Common Expenses; all records and vouchers (including current copies of the Declaration, Articles of Incorporation, By-Laws and Rules) shall be available for examination by an Owner, Mortgagee, insurer or guarantor of a first mortgage at any time during normal business hours;

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

(x) paying taxes assessed against and payable with respect to the Common Area and paying any other necessary expenses and costs in connection with the Common Area, and

(xi) to furnish, upon request of any Mortgagee, insurer or guarantor of first mortgage, a financial statement for the immediately preceding fiscal year.

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

(i) to employ a Managing Agent to assist the Board in performing its duties;

(ii) to purchase, lease or otherwise obtain for the Corporation, to enable it to perform its functions and duties, such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
(iii) to employ legal counsel, architects, contractors, accountants and others as in the judgement of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;

(iv) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;

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

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

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

(viii) 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 the Project known as Apple Lake Estates; and

(ix) to enter the Dwelling Unit of any Owner in case of any emergency whether the Owner is present at the time or not and in the case of non-emergency repairs to enter the Dwelling Unit provided the request is made in advance and is at a time reasonably convenient to the Owner.

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

(i) contracts for replacing or restoring portions of the Common Area damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
(ii) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and

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

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

j) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation.

k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, their heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that such person is or was a Director of the Corporation, against the reasonable expenses, including attorneys’ fees, actually and necessarily incurred by such person 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 relating to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of such Director’s duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of the Director’s 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 the Director failed or neglected to attend a meeting or meetings of the Board of Directors.

1) **Bond.** The Board of Directors shall provide blanket fidelity bonds for the Managing Agent (if any), 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 three (3) months aggregate assessments on all Dwelling 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 ten (10) days prior written notice to the Corporation. The expense of any such bonds shall be a Common Expense.

10. **Real Estate Taxes.** Real estate taxes are to be separately assessed for each Dwelling Unit only (excludes Limited Common Area associated with that Dwelling Unit) and taxed to each such Dwelling Unit owner. The General and Limited Common Areas are to be separately assessed from the Dwelling Unit and taxed to the Association. In the event that for any year the real estate taxes are not so separately assessed and instead are taxed as a whole, then each Owner shall pay his proportionate share of the real estate taxes assessed for all of the Dwelling Unit, which shall be the ratio that the square footage that a given Dwelling Unit bears to the total square footage of all of the Dwelling Unit included in the tax statement. Any real estate taxes or other assessments, which are chargeable against the Common Area shall be paid by the Corporation and treated as a Common Expense.

11. **Utilities.** Each Owner shall pay for his own utilities, which are separately metered. Utilities not separately metered shall be treated as and paid as part of the Common Expense unless otherwise determined by the Corporation.

12. **Maintenance, Repairs and Replacements.** The Owner of each Lot shall furnish and be responsible for, at his or her own expense, all the maintenance, repairs, decorating and replacements within such Owner’s residence, including the heating and air conditioning system (consisting of the air conditioner pad, piping, wiring, ductwork, and caulking/repairs to the exit hole(s) in foundation wall), any partitions and interior walls; for the maintenance, repair and replacement of all windows in his or her residence, all doors leading into the residence (this shall consist
of all entry doors including storm doors, enclosed atrium doors, and the garage door
all door locks, frames, door bells, hinges, hardware, garage door tracks, springs,
pulleys, openers and all other pertinent equipment). In addition to the aforementioned
maintenance responsibilities the Board of Directors has promulgated rules and
regulations which assign the maintenance responsibility of the Limited Common
Areas to the Lot Owner as follows:

Decks and exterior handrails; patio wall dividers, fences and gates; decorative porch,
patio, yard and flood lights; telephone cable, television cable, electrical wiring, gas
lines, plumbing lines, sump pumps and waterlines; exterior electrical outlet, exterior
and interior faucets for hose, concrete garage slab and concrete inside fenced patio
area, also the landscaping inside this Limited Common Area and patio.

The Association shall provide exterior maintenance upon the buildings constructed
upon the Lots and on the Common Area adjacent thereto as follows: paint, repair,
replace, maintain and care for roofs, gutters, downspouts, exterior building surfaces,
such exterior building surfaces shall not include windows or glass surfaces (except
glass in patio doors UNLESS such glass in the patio doors has been replaced and or
upgraded subsequent to the purchase), and skylights. Nor shall it include doors and
doorways and/or window frames; and other exterior improvements, lawns, shrubs and
trees. The Association will remove snow (not ice) from sidewalks and driveways
only. Such maintenance shall be provided at regular intervals pursuant to a reasonable
schedule to be determined by the Association, and at other times in the case of an
emergency.

In the event that the need for any such maintenance or repair is caused through the
willful or negligent act of the Owner, or his or her family, guests, or invitees, the cost
of such maintenance or repairs shall be recoverable through a special assessment
added to the Regular Monthly Assessment to which such Lot is subject.

Notwithstanding any obligation or duty of the corporation to repair or maintain any
Dwelling Unit or the Common Area, if due to the willful, intentional or negligent acts
or omissions of an Owner or of a member of his family or of a guest, invitee or other
occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs
or replacements shall be required thereby which would otherwise be a Common
Expense, then such Owner shall pay for such damage and such maintenance, repairs
and replacements, as may be determined by the Corporation, unless such loss is
covered by the Corporation’s insurance with such policy having a waiver of
subrogation clause. If the Board of Directors grants a particular owner of a Dwelling
Unit the right to place within its associated Limited Common Area a mini barn, fence,
vegetable garden, additional trees and shrubs over those initially planted at the first
conveyance of a Deed to an owner for a particular Dwelling Unit and as part of the
grant that an additional assessment is appropriate because it impedes the Association
maintenance of this Limited Common Area, then this additional assessment shall be
paid in a manner and time as specified by the Board Of Directors. If not paid by such
Owner upon demand by the Corporation the cost of repairing such damage and/or the
charge for the additional assessment established by the Board of Directors shall be added to and become a part of the assessment to which such Owner's Dwelling Unit is subject.

If any Owner shall fail so to maintain and keep his property or any part thereof in a good, clean and sanitary condition, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner's assessment, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's property.

So long as the Project is subject to this Declaration each Owner, by his acceptance of a deed to any Dwelling Unit, irrevocably grants to the Corporation, its agents and employees, the right to enter in and upon the Dwelling Unit owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair or other work contemplated herein.


a) Purposes. The Board of Directors shall regulate the external design, appearance, use, location and maintenance of the Dwelling Unit and of improvements with the Limited Common Area serving the Dwelling Unit in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.

b) Conditions. No improvements, alterations, repairs, change of colors, excavation, changes in grade, additional landscaping, or other work which in any way alters the exterior of a Dwelling Unit, or the improvements located within the Limited Common Area serving a given Dwelling Unit from its natural or improved state existing on the date such Dwelling Unit was first conveyed in fee to any Owner shall be made or done without the prior approval of the Board of Directors. Except as otherwise expressly provided in this Declaration, no building, fence, wall, Dwelling Unit, or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Board of Directors.

c) Maintenance of Architectural Control. The Association may not waive or abandon the procedure for regulating and enforcing the architectural design or exterior appearance of the Dwelling Units nor for maintaining the exterior of the Dwelling Units or the Common Area including the upkeep of common fences, driveways, lawns and plantings without the prior written approval of all Owners and all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

a) **General Rules of Law to Apply.** Each wall which is built as a part of the original construction of any Dwelling Unit within the Project and which connects two Dwelling Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligent or intentional or willful acts or omissions shall apply thereto.

b) **Sharing of Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall, proportionately.

c) **Destruction by Fire or other Causality.** If any party wall is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance maintained by any of the Owners who make use of such party wall, and repaired out of the proceeds of same, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent, intentional or willful acts or omissions.

d) **Weatherproofing.** Notwithstanding any other provision of this Article, to the extent that such damage is not covered and paid by the insurance provided for herein, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

e) **Right of Contribution Runs with Land.** The right of any Owner to contribution from any other Owner under this article shall be appurtenant to the land and shall pass to such Owner's successors in title.

f) **Arbitration.** In the event of any dispute arising concerning a party wall, or under the provisions of this Paragraph 15, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. (Should any party refuse to appoint an arbitrator within ten (10) days after written request therefore from another party the Board of Directors of the Corporation shall select an arbitrator for the refusing party.) The cost of the arbitrators shall be borne equally by the parties.
15. Assessments.

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

b) **Proposed Annual Budget.** Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption, and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Owners; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Corporation shall be established by using generally accepted accounting principles applied on a consistent basis.

The annual budget may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement and repair of the Common Area and such exterior portion of the Dwelling Units as designated in this Declaration, which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary repair expenses. Such replacement reserve fund for capital expenditures and replacement and repair of the Common Area and such exterior portion of the Dwelling Units as designated in this Declaration shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion, Hancock and surrounding counties, Indiana selected from time to time by the Board.

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

c) Regular Assessments. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses in the current fiscal year as set forth in said budget, contain a proposed assessment against each Dwelling Unit, which shall be the same amount for each Dwelling Unit. Immediately following the adoption of the annual budget, each Owner shall be given written notice of such assessment against his respective Dwelling Unit (herein called the “Regular Assessment”). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Dwelling Unit based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessment shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Dwelling Unit shall be paid in advance in equal monthly installments commencing on the first day of the first month of each fiscal year and monthly thereafter through and including the first day of the last month of such fiscal year. Payment of the monthly installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay assessments quarterly, semi-annually or annually, in advance. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget.

(i) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment, and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or

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

The Regular Assessment for the current fiscal year of the Corporation shall become a lien on each separate Dwelling Unit as of the First day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner who has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided, sells, conveys or transfers his Dwelling Unit or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Dwelling Unit from payment of the Regular Assessment for such Dwelling Unit as finally determined, and such Owner and his successor as Owner of such Dwelling Unit shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 17 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be mailed or delivered may rely thereon and shall be bound by such final determinations. Monthly installments of Regular Assessments shall be due and payable automatically on their respective due dates without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

d) **Special Assessments.** From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and provided that such assessment shall have the assent of two-thirds (2/3rds) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Dwelling Unit, prorated in equal shares (herein called “Special Assessment”). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the
cost of any repair or reconstruction of damage caused by fire or other casualty
or disaster to the extent insurance proceeds are insufficient therefore under the
circumstances described in this Declaration.

e) The Corporation may enter into a management agreement in accordance
with the provisions of Paragraph 10 of this Declaration. So long as such
management agreement, or similar agreement, remains in effect, the common
expenses and regular assessments shall be paid by the owners to the
management agent.

Each Owner hereby authorizes the Corporation and the Board of Directors and
its officers to enter into the aforesaid management agreement described in
Paragraph 10 of this Declaration and to adhere to and abide by the same.

The monthly regular assessment shall be established by the Board of Directors
based upon the budget approved at the Annual Meetings. This assessment
shall commence on the first of the month after the date of the annual meeting.
Such monthly charge shall defray the owner's obligation for his share of
common expenses or shall be the owner's entire regular assessment.

f) Failure of Owner to Pay Assessments. No Owner may exempt himself
from paying Regular Assessments and Special Assessments or from
contributing toward the Common Expense or toward any other expense
lawfully agreed upon by waiver of the use or enjoyment of the Common Area
or by abandonment of the Dwelling Unit belonging to him. Each Owner shall
be personally liable for the payment of all Regular and Special Assessments.
Where the Owner constitutes more than one person the liability of such person
shall be joint and several. If any Owner shall fail, refuse or neglect to make
any payment of any Regular Assessment or Special Assessment when due, the
lien for such assessment on the Owner's Dwelling 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. Upon the failure
of the owner to make timely payments of any Regular Assessment or Special
Assessment when due the Board may in its discretion accelerate the entire
balance of unpaid assessments in such event the Owner and any occupant of
the Dwelling Unit shall be jointly and severally liable for the payment to the
Corporation of reasonable rental for such Dwelling Unit and the Board shall
be entitled to the appointment of a receiver for the purpose of preserving the
Dwelling Unit and to collect the rentals and other profits therefrom for the
benefit of the Corporation to be applied to the unpaid Regular Assessments or
Special Assessments. The Board may at its option bring suit to recover a
money judgment for any unpaid Regular Assessment or Special Assessment
without foreclosing or waiving the lien securing the same. In actions to
recover a Regular Assessment or Special Assessment, whether by foreclosure
or otherwise, the Board' for and on behalf of the Corporation shall be entitled
to recover from the Owner of the respective Dwelling Unit costs and expenses
of such action incurred (including, but not limited to, reasonable attorney’s fees) and interest from the date such assessments were due until paid at the rate equal to the publicly announced prime interest rate then being charged by any National Bank in Marion County, Indiana, selected by the Board of Directors, to its largest and best corporate customer. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage.

g) Subordination of Assessment Lien to Mortgage. Notwithstanding anything contained in this Declaration, the Articles or the By-Laws, any sale or transfer of a Dwelling Unit to a mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in a manner provided by law with respect to mortgage foreclosures shall extinguish the lien of any unpaid installment which became due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior owner from personal liability therefore, no such sale, transfer or conveyance shall relieve the Dwelling Unit or the purchaser at such foreclosure sale or grantee in the event of conveyance in lieu thereof, from liability for any installments of Regular Assessments or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Regular Assessments or Special Assessments, the lien for which has be divested as aforesaid shall be deemed to be a Common Expense collectible from all Owners (including the party acquiring the subject Dwelling Unit from which it arose).


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

The Corporation shall, upon request of a Mortgagee who has furnished the Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its
borrower of any obligations of such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days.

b) **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 Dwelling Unit, furnish to such Mortgagee or purchaser a statement setting the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Dwelling Unit, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Dwelling Unit shall not be liable for nor shall the Dwelling Unit 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 Paragraph 16(b) hereof.

c) **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 Common Area or to secure new hazard insurance for the Common Area on the lapse of a policy. Any Mortgagee making such payment shall be owed immediately reimbursement by the Corporation.

d) **Notice of Condemnation or Casualty Loss.** Mortgagees shall be timely notified of any condemnation loss which affects a material portion of Apple Lake Estates or any Dwelling Unit. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.

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

17. **Insurance.**

a) **Casualty Insurance.** The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring all of the Dwelling Units and the Common Area in an amount consonant with the full replacement value of the improvements which in whole or in part, comprise the Dwelling Units and Common Area and which includes in said coverage the replacement in the event of casualty of Dwelling Units floor and wall coverings. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain “all risk” coverage. 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. Such insurance coverage
shall be for the benefit of each Owner, and if applicable, the Mortgagee of
each Owner upon the terms and conditions hereinafter set forth.

All proceeds payable as a result of casualty losses sustained which are covered
by insurance purchased by the Corporation as hereinabove set forth shall be
paid to it or to the Board of Directors, who shall act as the insurance trustees
and hold such proceeds for the benefit of the individual Owners and
Mortgagees. The proceeds shall be used or disbursed by the Corporation or
Board of Directors, as appropriate, and only in accordance with the provisions
of this Declaration and any surety bond or bonds obtained by the Board of
Directors concerning the officers of the Corporation as provided in the By-
Laws shall specifically include protection for any insurance proceeds so
received.

The interest of each damaged Owner in the trust fund of insurance proceeds
shall be the ratio of the direct damage of such Owner’s damaged Dwelling
Unit to the damages of all Dwelling Units and Common Area directly
damaged by any event insured under the said master casualty insurance
policy.

Such master casualty insurance policy, and “all risk” coverage, if obtained,
shall (to the extent the same are obtainable) contain provisions that the insurer
(a) waives its right to subrogation as to any claim against the Corporation, the
Board of Directors, its agents and employees, Owners, their respective agents
and guests, and (b) contains an endorsement that such policy shall not be
terminated for nonpayment of premiums or for any other reason or shall not
be substantially modified without at least ten (10) days prior written notice to
Mortgagees and at least ten (10) days prior written notice to the Corporation.

Each Owner shall be solely responsible for loss or damage to the contents of
his Dwelling Unit however caused (including, but not limited to, all floor,
ceiling and wall covers and fixtures, betterments and improvements installed
by him) and his personal property stored elsewhere within the Project and the
Corporation shall have no liability to the Owner for loss or damage to the
contents of any Dwelling Unit or any personal property stored elsewhere
within the Project. 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 own expense as he may
deam necessary.

b) Public Liability Insurance. The Corporation shall also purchase a master
comprehensive public liability insurance policy in such amount or amounts as
the Board of Directors shall deem appropriate from time to time but not less
than $1,000,000 for bodily injury, including deaths of person and property
damage arising out of a single occurrence. Such comprehensive public
liability insurance policy shall cover the Corporation, the Board of Directors,
any committee of the Corporation or Board, any Managing Agent appointed or employed by the Corporation, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Project, all Owners of Dwelling Units and all other persons entitled to occupy any Dwelling Unit. Such public liability insurance policy shall contain a “severability of interest” clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Corporation or other Owners. Such public liability insurance policy shall contain a provision that such policy shall not be cancelled or substantially modified without at least ten (10) days written notice to the Corporation.

c) **Other Insurance.** The Corporation shall also obtain any other insurance required by law to be maintained, including but not limited to, workmen’s compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers’ and directors’ liability policies. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of each Owner, the Corporation, the Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.

d) **General Provisions.** The premiums for all insurance herein above described shall be paid by the Corporation as part of the Common Expenses. When any such policy of insurance hereinabove described has been obtained by or on behalf of the Corporation, written notice of the obtaining thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner or Mortgagee whose interest may be affected thereby, which notice shall be furnished by the officer of the Corporation who is required to send notice of meeting of the Corporation.

In no event shall any distribution of insurance proceeds be made by the Board of Directors directly to an Owner where there is a mortgagee endorsement on the certificate of insurance or insurance policy as it applies to such Owner’s share of such proceeds. In such event any remittances shall be to the Owner and his Mortgagee jointly. The same method of distribution shall also apply to the distribution of any condemnation awards in connection with any taking of any of the Common Area. In the event of condemnation of all or any part of the Common Area the Corporation, as owner of the Common Area, shall represent the Owners in any negotiation or settlement regarding such condemnation. No Owners or any other party shall have priority over any rights of a mortgagee pursuant to its mortgage in the case of distribution to
such Owners of insurance proceeds or condemnation awards for losses to or a taking of Common Area. Notwithstanding the foregoing, under no circumstances shall any distribution of insurance proceeds or condemnation awards be made by the Corporation to any Owners or Mortgagees if to do so would be in violation of the Indiana Not-For-Profit Corporation Act or if the same would constitute a distribution of earnings, profits or pecuniary gain to the members of the Corporation; in any such event, any such insurance proceeds or condemnation awards shall be retained by the Corporation for use in the payment of its expenses of operation.

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

f) Condemnation Awards. All proceeds payable as a result of condemnation shall be paid to the Corporation who shall act as trustee and hold such proceeds for the benefit of the individual Owners and Mortgagees. Such proceeds shall be distributed as provided above.

18. Casualty of Dwelling Units.

a) Restoration of Dwelling Units.

(i) Damage to or destruction of any Dwelling Unit due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Corporation and the proceeds of insurance, if any, shall be applied for that purpose.

(ii) If the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Dwelling Units so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be paid by the Owners of the Dwelling Units damaged in proportion to the ratio that damages to an Owner's Dwelling unit have to the total damage to all Dwelling Units that are damaged. Any such amounts payable by the Owners of damaged Dwelling Units shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

(iii) For purposes of subparagraphs (1) and (2) above, repair, reconstruction and restoration shall mean construction or rebuilding of the Dwelling Units to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.
(iv) Immediately after a fire or other casualty or disaster causing damage to any property for which the Board of Directors or Association has the responsibility of maintenance and repair, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

(v) The proceeds of insurance collected on account of any such casualty, and the sums received by the Board of Directors from collections of assessments against the Owners on account of such casualty, shall constitute a construction fund which shall be disbursed, if the Dwelling Units are to be reconstructed and repaired, in payment of the costs of reconstruction and repair in the following manner:

(1) The construction fund shall be disbursed in payment of such costs upon the selection of a general contractor employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The general contractor shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, sub-contractors, material men, or other persons who have rendered services or furnished materials in connection with the work, (1) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (2) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (3) that the costs, as estimated by said architect for the work remaining to be done subsequent to the date of such certificate, do not exceed the amount of the construction fund remaining after payment of the sum so requested.

(2) Encroachments upon or in favor of Dwelling Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the Dwelling Units were originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Dwelling Units stand.

(3) In the event that there is any surplus of monies in the construction funds after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums
shall be distributed to the Owners of the Dwelling Units affected and their Mortgagees who are the beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damaged Dwelling Units shall not constitute a waiver of any rights against another Owner for committing willful or malicious damage.

b) Restoration of Common Area. In the event of damage to or destruction of any of the Common Area due to fire or any other casualty or disaster, the Corporation shall promptly cause the same to be repaired and reconstructed. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

In the event the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the Common Area, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Common Area so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

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.

19. Covenants and Restrictions (Use & Occupancy Restrictions). The following covenants and restrictions on the use and enjoyment of the Dwelling Units and General and Limited Common Areas shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner or by the Corporation. Present or future owners or the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation.
a) Use Restrictions

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

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

(iii) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit or the Common Area. The Board of Directors determination as to what is a nuisance shall be conclusive.

(iv) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling 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 things 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 of Directors.

(v) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit 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 or kept within a fenced area of the Limited Common Area associated with a particular Dwelling Unit and an Owner shall be fully liable for any injury or damage to persons or property, including the Common Area, caused by his pet. The tethering of pets in any area outside an Owner’s fenced patio does not constitute ‘attended’. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Project within ten (10) days after written notice from the Board to the respective Owner to do so.

(vi) All rubbish, trash or garbage shall be stored in closed sanitary containers in areas designated by the Corporation, shall be regularly
removed from the premises, and shall not be allowed to accumulate on any part of the Lot. Trash may be stored in enclosed containers provided by the Corporation for that purpose. All clotheslines shall be confined to patio areas and shall be below the height of the patio fence. No clothes, sheets, blankets, rugs, laundry or other things shall be hung out or exposed so as to be visible from any part of the Limited Common Area associated with a particular Dwelling Unit. Such Limited Common Area shall be kept free and clear of rubbish, debris and other unsightly materials.

(vii) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on and within the Project, except those home occupations which are permitted by applicable zoning regulations in Hancock County, Indiana.

(viii) No “for sale” signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the Dwelling Unit or Limited Common Area associated therewith by an Owner without the prior consent of the Board; provided, however, that the right is reserved by the Board to place or allow to be placed “for sale” signs on or about the Project in connection with any unsold or unoccupied Dwelling Units. No Owner may rent or lease his dwelling for any intents or purposes.

(ix) 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 General or Limited 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 such Common Area.

(x) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than 1 ton), motorcycles, minibikes, or mopeds shall be permitted, parked or stored anywhere within the Project except as otherwise specifically permitted by the Board. No repair work shall be done on the Lot on any vehicles, including passenger automobiles.

(xi) No Owner shall be allowed to plant trees, landscape or do any gardening in any of its Limited Common Area, except with express permission from the Board.
(xii) Common Area 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.

(xiii) No owner may own more than one (1) Dwelling Unit at the same time, unless one (1) is legitimately for sale at a sellable price, and with written Board approval, provided that, while for sale, is not occupied.

(xv) No motorized boating or sailboats shall be permitted on the Lake.

(xvi) Private dock facilities may not be installed on or to the Lake.

(xvii) No swimming shall be permitted on the Lake.

(xviii) Any fishing from the Lake shall occur entirely from the banks of the Lake, as regulated by the Corporation.

b) Occupancy Restrictions

EACH CONVEYANCE OF A DWELLING UNIT IS SUBJECT TO THE RESTRICTIVE OCCUPANCY COVENANT THAT NO ONE UNDER THE AGE OF FIFTY-FIVE (55) SHALL OCCUPY SAID DWELLING UNIT EXCEPT:

- A LIVE IN CARETAKER OR
- HANDICAPPED CHILD OR CHILDREN OR
- A SPOUSE UNDER THE AGE OF 55 YEARS

UNLESS APPROVED BY A MAJORITY OF THE VOTING MEMBERS OF THE ASSOCIATION. THIS RESTRICTION SHALL BE A COVENANT RUNNING WITH THE LAND ON WHICH THE DWELLING UNIT IS SITUATED.

20. Amendment of Declaration.

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

(i) 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.

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

(iv) **Adoption.** Any proposed amendment to this Declaration must be approved by a vote of not less than fifty percent (50%) in the aggregate of the votes of all Owners. In the event any 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.

(v) **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 of Paragraph 18 with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 19 of this Declaration with respect to reconstruction or repair of the Common Area or Dwelling Units in the event of fire or any other casualty or disaster, (4) the provisions of Paragraph 16 of this Declaration with respect to the commencement of assessments on any Dwelling Unit, without, in each any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

(vi) **Additional Special Amendments.** No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for and responsibility for maintenance, repair and replacement of the Common Area and Dwelling Units, or (3) right to use the Limited Common Area, or (4) annexation of property to Apple Lake Estates, or (5) termination of the applicability of this Declaration, or (6) any provisions which are for the express benefit of Mortgagees without the consent of at least sixty-six and two-thirds percent (66-2/3%) of the votes of the Owners for the first twenty (20) years after recording of this Declaration and thereafter at least fifty percent (50%) of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages.

(vii) **Recording.** Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall be recorded in the Office of the Recorder of Hancock County, Indiana, and such amendment shall not become effective until so recorded.
(viii) **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.

21. **Acceptance and Ratification.** All present and future Owners, Mortgagees, and occupants of the Dwelling Units shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the By-Laws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may lie amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Dwelling Unit shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, 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, or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Dwelling Unit as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage. All persons, corporations, partnership, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Dwelling Unit in any manner shall be subject to the declaration, the Articles of Incorporation, By Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

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

23. **Costs and Attorneys' 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, the By-Laws, or the rules and regulations adopted pursuant thereto as each may be amended from time to time, the Corporation shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.

24. **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 Area or by abandonment of his Dwelling Unit.
25. **Severability Clause.** The invalidity of any covenant, restriction, condition, limitation or other provision of this Declaration, the Articles or the By-Laws, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles, or the By-Laws, and each shall be enforced to the greatest extent permitted by law.

26. **Pronouns.** 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. And the singular shall include and refer to the plural and vice versa as appropriate.

27. **Interpretation.** The captions and titles of the various articles, section, subsections, paragraphs and subparagraphs 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.
IN WITNESS WHEREOF, the undersigned being duly authorized by appropriate Corporate action has caused this Second Amendment to the Declaration to be executed the day and year first above written.

APLELAKE HOMEOWNERS ASSOCIATION, INC

By: ____________________________
    Roby D. Hoff

President

STATE OF INDIANA

COUNTY OF MARION

Before me, a Notary Public, in and for said County and State, personally appeared Roby D. Hoff, President of Apple Lake Homeowners Association, Inc. an Indiana Corporation, who acknowledged the execution of the foregoing “Second Amendment to the Declarations and Covenants of Apple Lake Estates Property Ownership” for and on behalf of said corporation.

Witness my hand and Notarial Seal this 9th day of August, 2004.

Lora A. Cienas
Notary Public

(Printed)

County of Residence MARION

This Instrument Prepared By:
Apple Lake Estates Homeowners Association
Board of Directors
Under Counsel of:
MILO G. GRAY, Jr.
Attorney at Law
426 West Walnut St.
Greenfield, IN. 46140
E ESTATES
3D, INDIANA
PLAT

STATE OF INDIANA )
COUNTY OF MARION )

I, THE UNDERSIGNED NOTARY PUBLIC, DULY COMMISSIONED TO TAKE
ACKNOWLEDGMENTS AND TO ADMINISTER OATHS IN THE STATE OF
INDIANA, CERTIFY THAT MAURI G. YOUNG PERSONALLY APPEARED
BEFORE ME AND ACKNOWLEDGED THE EXECUTION OF THIS FOREGOING
INSTRUMENT AS HIS AUTHORIZED ACT THIS DAY OF

9/18/95
LINDA K. FOY
PRINTED NAME

NOTARY PUBLIC

PLAN COMMISSION STAFF CERTIFICATE

THE GREENFIELD CITY PLAN COMMISSION STAFF HAS REVIEWED THE
APPLICATION FOR THIS PLAT FOR RESIDENTIAL, COMMERCIAL, AND
INDUSTRIAL USES. THE STANDARDS, FIXTURES, AND THE SUBDIVISION CONTROL CODE, IN ACCORDANCE
WITH THE PROVISIONS OF THE INDIANA ADJUSTED PLANNING LAW, IC 36-7-7-1,
DECLARES THAT THIS PLAT COMPLIES WITH THE MINIMUM REQUIREMENTS IN THE CODE OF ORDINANCES OF GREENFIELD,
INDIANA.

APPROVED DUE TO THE GREENFIELD CITY PLAN COMMISSION AT A MEETING HELD
APPROVED SEPTEMBER 1994

GREGORY B. FRIESS
GREENFIELD CITY PLAN COMMISSION

COMMISSION CERTIFICATE FOR PRIMARY APPROVAL

UNDER AUTHORITY PROVIDED BY THE INDIANA ADJUSTED PLANNING LAW, IC 36-7-1-4, ENACTED BY THE GENERAL ASSEMBLY OF THE STATE, AND ALL ACTS
AMENDATORY THERETO, AND AN ORDINANCE ADOPTED BY THE CITY COUNCIL, THIS PLAT WAS GIVEN PRIMARY APPROVAL BY THE CITY PLAN COMMISSION AS
FOLLOWING:

APPROVED BY THE GREENFIELD CITY PLAN COMMISSION AT A MEETING HELD
SEPTEMBER 1994

GREGORY B. FRIESS
GREENFIELD CITY PLAN COMMISSION

COMMISSION CERTIFICATE FOR SECONDARY APPROVAL

UNDER AUTHORITY PROVIDED BY THE INDIANA ADJUSTED PLANNING LAW, IC 36-7-1-4, ENACTED BY THE GENERAL ASSEMBLY OF THE STATE, AND ALL ACT
AMENDATORY THERETO, AND AN ORDINANCE ADOPTED BY THE CITY COUNCIL, THIS PLAT WAS GIVEN SECONDARY APPROVAL BY THE CITY PLAN COMMISSION AS
FOLLOWING:

APPROVED BY THE GREENFIELD CITY PLAN COMMISSION AT A MEETING HELD
SEPTEMBER 1994

GREGORY B. FRIESS
GREENFIELD CITY PLAN COMMISSION

BOARD OF PUBLIC WORKS AND SAFETY CERTIFICATE

THIS PLAN WAS GIVEN APPROVAL BY THE BOARD OF PUBLIC WORKS AND
SAFETY OF THE CITY OF GREENFIELD, INDIANA, AT A MEETING HELD ON

NOVEMBER 1995

TIM J. MILLER
CHAIRMAN

RECORDING SECRETARY

HANGSO IL AND WATER CONSERVATION DISTRICT CERTIFICATE

AS PROVIDED IN THE LOCAL SOIL AND WATER CONSERVATION DISTRICT
PROGRAM AND AUTHORIZATION, UNDER STATE OF INDIANA ENACTED
LEGISLATION, THE DISTRICT HAS REVIEWED THE PLAT PLANS FOR
APPROVAL AND DECLARES THE

IT HAS BEEN DETERMINED THAT THE PLAT AND PLANS HAVE INCORPORATED
ADEQUATE MEASURES FOR WATER DISPOSAL AND/OR EROSION CONTROL, FOR
THE CONDITIONS PRESENT.

CERTIFICATE AT A MEETING HELD ON

9TH DAY OF DECEMBER
1995

JILL M. HARDIE
CHAIRMAN

RECORDING SECRETARY
APPLE L.
GREE.

Land Survey

LEGAL DESCRIPTION

I, MAURO L. H. HISELMAN, hereby certify that I am a Land Surveyor, registered in compliance with the laws of the State of Indiana, and I do hereby further certify that I have surveyed the following described real estate with stakes and lots as shown on the herein-drawn plat. This plat correctly represents a survey made by me on February 24, 1994, of a part of the South East Quarter of Section 28, Township 18 North, Range 7 East, Hancock County, Indiana, more particularly described as follows:

Commencing at a brass pin at the South West corner of said quarter section, thence on an assumed bearing of North 00 degrees 15 minutes 17 seconds West a distance of 889.00 feet along the main line of said quarter section to a p.k. nail at the north west corner of a parcel of land described in instrument No. 80124 of the Office of the Recorder of Hancock County, Indiana. Anthony North 80 degrees 90 minutes 00 seconds East a distance of 781.79 feet along the South line of said Subdivision to a half inch rebar at a corner thereof, thence South 45 degrees 00 minutes 00 seconds East a distance of 551.72 feet to a half inch rebar, thence South 00 degrees 00 minutes 00 seconds East a distance of 300.00 feet along the East line of said Subdivision to 363.76 feet to the point of beginning, passing through a rebar located 300.00 feet West of the East terminus of this course, containing 10.20 acres more or less, and subject to easements and rights of way.

This Subdivision consists of twenty-one (21) lots numbered one (1) through twenty-one (21) inclusive, together with streets, rights-of-way and easements as shown on the plat herein.

All monuments shown herein will exist, and that their location, size, type and material are accurately shown, and that the computed error of closure of the boundary survey is not more than one foot in every thousand, and that this plat complies with the provisions of the Subdivision Ordinance. The size of the lots and width of streets and easements are shown in figures denoting feet and decimal parts thereof.

Witnes my hand and seal this 26th day of July, 1995. 

MAURO L. H. HISELMAN
REG. LAND SURVEYOR #S 0461

THE UNDERSIGNED, MAURO G. YOUNG, PRESIDENT OF COMMUNITY DEVELOPMENT III, INC., AN INDIANA CORPORATION, HEREBY MAKE, PLEDGE, AND SUBSIDE TO AND LAY OFF said described real estate into lots and streets in accordance with this plat, which addition shall be known as "APPLE LAKES ESTATES PROPERTY OWNERSHIP". That the streets as shown on the attached plat are hereby dedicated to public use and that all of the lots contained in the above plat or any portion thereof shall be subject to restrictions, said restrictions shall be considered and hereby declared to be covenants running with the land. Said restrictive covenants are as follows:

1. EASEMENTS

A. There are streets of ground as shown on the plat marked "SANITARY SEWER, DRAINAGE AND UTILITY EASEMENTS" (S.S.D.U.) and "DRAINAGE AND UTILITY EASEMENT" (D.U.U.E.) shown on the plat which are hereby reserved for public utilities, not including transportation companies, for installation and maintenance of poles, mains, sewers, drains, ducts, lines and wires. Purchasers of lots in this subdivision shall take title subject to the easements hereby created and subject at all times to the rights of proper authorities and the utilities and easements hereby created, and no permanent structure of any kind and no part thereof, except sidewalks and a fence along the entire perimeter of the proposed subdivision, shall be built, erected or maintained on said "easements".

B. The tract of ground marked "STORM DETENTION AND UTILITY EASEMENT" shall be reserved for the installation and maintenance of drainage improvements and public utilities. The Apple Lake Estates Homeowners Association shall take title to said tract and shall be responsible for the maintenance of the storm detention pond constructed hereon.

(1) The owners of all lots in this addition shall take title subject to the rights of public utilities, governmental agencies, and the rights of the other lot owners in this addition to said easement herein granted for ingress and egress in, along and through the strips of ground for the purposes herein stated.

C. There are strips of ground, as shown on the plat marked "COMMON AREA" which are reserved as areas for use by the Apple Lake Estates homeowners association, its successors and assigns to maintain the landscape islands, and walls as defined in the declaration of covenants, conditions and restrictions of Apple Lake Estates property ownership.
PLEE LAKE ESTATES
GREENFIELD, INDIANA
FINAL PLAT

SURVEYOR: MICHAEL D. JONES
CLAIMED THE REVERSE OF 
HANCOCK COUNTY, INDIANA.

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PS 0481

COMMUNITY WILL PLAT ESTATE LOTS WHICH ARE SHALL BE COVENANTS
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6. IDENTITY 

UTILITY

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PLAT APPLICABLE, 

COVENANTS, 

PROPRIETARY

STATE OF INDIANA )
COUNTY OF MARION)

I, LINDA A. STOKES,
NOTARY PUBLIC
PRINTED

1424 E. LAWRENCE
GREENFIELD, INDIANA

PLAN COMMISSION STAFF CERTIFICATE
THE GREENFIELD CITY PLAN COMMISSION STAFF APPLYING FOR THIS PLAT FOR TECHNICAL CONFIDENCE STANDARDS, FIXED IN THE SUBDIVISION WAS COMPLIANCE WITH THE ORDINANCE OF THE CITY OF GREENFIELD, INDIANA, ADOPTED 4-7-1994.

COMMISSIONER CERTIFICATE FOR PRIMARY AP
UNDER AUTHORITY PROVIDED IN THE INDIANA ADVISORY 36-7-4, ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF INDIANA, THIS PLAT WAS GIVEN PRIMARY APPROVAL BY THE CITY OF GREENFIELD, INDIANA.

APPROVED BY THE GREENFIELD CITY PLAN COMMISSION
SEPT. 12, 1994.

SEAL

COMMISSIONER CERTIFICATE FOR SECONDARY AP
UNDER AUTHORITY PROVIDED IN THE INDIANA ADVISORY 34-7-4, ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF INDIANA, AN ORDINANCE ADOPTED 4-7-1994, THIS PLAT WAS GIVEN SECONDARY APPROVAL BY THE CITY OF GREENFIELD, INDIANA.

APPROVED BY THE GREENFIELD CITY PLAN COMMISSION
SEPT. 12, 1994.

SEAL

BOARD OF PUBLIC WORKS AND SAFETY Q

SEAL

Hancock Soil and Water Conservation District
AS PROVIDED IN THE LOCAL LAW AND WATER CONSERVATION DISTRICT, THIS PLAT HAS BEEN APPROVED AND RECOMMENDED FOR USE.

CERTIFICATE AT A MEETING HELD ON THE DATE OF SEPTEMBER 12, 1994.

SEAL


MAU R. YOUNG
MAU R. YOUNG, PRESIDENT

PROJECTS
GREENWOOD SURVEYING

CIVIL ENGINEERING - LAND SURVEYING