Deer Run Subdivision

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

Joe N. Van Valer
Van Valer Law Firm
299 W. Main Street
Greenwood, IN 46142
317/882-7575
The following document represents a compilation of Instrument Number 97001063, Declaration of Covenants, Conditions, and Restrictions of Deer Run Subdivision, recorded in the Office of the Recorder of Johnson County, Indiana, on January 16, 1997 and Instrument Number 97002352, Amendment to Declaration of Covenants, Conditions, and Restrictions for Deer Run Subdivision, recorded in the Office of the Recorder of Johnson County, Indiana on February 6, 1997.
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
DEER RUN SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER RUN
("Declaration"), made this 10th day of January, 1997, by New Lifestyle Development, Inc., an Indiana Corporation
(hereinafter referred to as "Declarant"),

WITNESSETH THAT:

WHEREAS, Declarant is the owner of certain real estate located in Johnson County, Indiana, more particularly
described in the attached Exhibit A ("Initial Real Estate"); and

WHEREAS, Declarant intends to subdivide Initial Real Estate into 27 residential Lots as generally shown on
the Plat for Deer Run Subdivision Section One as hereinafter recorded in the Office of the Recorder of Johnson County,
Indiana; and

WHEREAS, Declarant is developing the Real Estate and certain surrounding lands within the tract described
in the attached Exhibit B, upon which Declarant intends to construct residential facilities and which may be Platted by
Declarant in sections from time to time; and

WHEREAS, Declarant intends to develop the Real Estate, by constructing residential facilities, which
development shall be known as “Deer Run Subdivision”; and

WHEREAS, the Real Estate has been subdivided, platted and recorded by Declarant as the Deer Run
Subdivision Section One on the ______ day of _________, 19____ as Instrument No. ___________________________ in
the Office of the Recorder of Johnson County, Indiana, in Plat Book ______ Page ______; and

WHEREAS, Declarant intends to sell and convey the residential facilities and Half-Lots within Deer Run
Subdivision and desires to subject the Real Estate to certain terms, covenants, conditions and restrictions ("Covenants")
in order to ensure that development and use of the various Half-Lots on the Real Estate are harmonious and do not
adversely affect the value of surrounding Half-Lots on the Real Estate; and

WHEREAS, Declarant desires to provide for maintenance of the Detention Ponds and appurtenances existing
as a part of the Drainage System and the Common Maintenance Property located on the Real Estate which is of common
benefit to the Owners of the various Half-Lots within said Deer Run Subdivision, and to that end desires to establish
certain obligations on said Owners and a system of assessments and charges upon said Owners for certain maintenance
and other costs in connection with the operation of Deer Run Subdivision;

NOW, THEREFORE, Declarant hereby declares that all of the Real Estate as it is now held and shall be held,
conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, is subject to the following terms,
covenants, conditions and restrictions. All of the Covenants shall run with the Real Estate and shall be binding upon the
Declarant and upon the parties having or acquiring any right, title, or interest, legal or equitable, in and to the Real Estate
or any part or parts thereof and shall inure to the benefit of the Declarant and every one of the Declarant’s successors in
title to the Real Estate or any part or parts thereof.

1. GENERAL PURPOSE OF THIS DECLARATION

The Real Estate is hereby subjected to the covenants, conditions, and restrictions ("Covenants") herein to ensure
proper development of the Real Estate, to provide for adequate and proper maintenance of the Drainage System,
Detention Ponds, and Common Area on the Real Estate, so as to meet the requirements of certain governmental agencies,
all for the purpose of benefiting all Half-Lots within Deer Run Subdivision and to ensure desired high standards of
maintenance of the Real Estate.
DEFINITIONS FOR ALL PURPOSES OF THIS DECLARATION

The following terms, whenever used in this Declaration, shall have the meanings assigned to them by this Section 2:

2.1 Architectural Control Committee. The Architectural Control Committee, or "ACC," means the Architectural Control Committee for Deer Run Subdivision to be appointed in accordance with this Declaration.

2.2 Assessment. "Assessment" means the share of the Common Expenses imposed upon each Half-Lot as determined and levied pursuant to the provisions of this Declaration.

2.3 Association. "Association" means Deer Run Subdivision Homeowners’ Association, Inc., a nonprofit Indiana Corporation, formed or to be formed for the purpose of determining and collecting the Assessments and overseeing and enforcing the terms of this Declaration.

2.4 Board of Directors. "Board of Directors" means the Board of Directors of the Association elected pursuant to the Articles and Bylaws of the Association.

2.5 Common Area. "Common Area" means the area shown as Common Area on the Plat of Deer Run Subdivision.

2.6 Common Expense. "Common Expense" means the actual or estimated cost to the Association for maintenance, management, operation, repair, improvement, and replacement of the Detention Ponds, Drainage System, Common Maintenance Property and Common Area and any other cost or expense incurred by the Association for the benefit and perpetuation of the Drainage System and Common Area.

2.7 Common Maintenance Property. "Common Maintenance Property" shall mean and refer to:

2.7.1 exterior walls and exterior surfaces, including roofs but excluding windows and doors of the Units.

2.7.2 the lawns, sidewalks, stoops, patios, parking areas to the extent that maintenance is deemed necessary by the Association; and

2.7.3 the Access Easements and all other portions of the Real Estate not being part of Lots.

2.8 Covenants. "Covenants" means those covenants, conditions and restrictions affecting the Real Estate as established by Declarant in this Declaration.

2.9 Declarant. "Declarant" means New Lifestyle Development, Inc., an Indiana Corporation, or any other person, firm, corporation or partnership which succeeds to the interest of New Lifestyles Development, Inc. as Developer of Deer Run Subdivision.

2.10 Deer Run Subdivision. "Deer Run Subdivision" means the Real Estate as it has been platted and recorded by Declarant in accordance with the provisions of this Declaration.

2.11 Detention Pond. "Detention Pond" means the real property and improvements thereon, shown and designated on the Plat as Detention Ponds.
2.12 **Drainage Easements.** "Drainage Easements" refer to those areas (referenced S.S. D & U.E., D. & U.E., and VAR. D. & U.E.) reserved as easements for drainage, the Detention Ponds, or for access to the Detention Ponds or other drainage facilities as shown on the Plat or Plats of Deer Run Subdivision, as the same may be recorded from time to time.

2.13 **Drainage System.** "Drainage System" means the storm sewers, subsurface drainage tiles, pipes and structures, the Detention Ponds and Drainage Easement areas, and/or all structures, fixtures, properties, equipment and facilities located in, upon, or under the Drainage Easements or Streets and associated with or related to the drainage of surface and subsurface waters from, over, and across Deer Run Subdivision.

2.14 **Half-Lot.** "Half-Lot" means any of the separate and individual parcels created, or which could potentially be created, when any of the Lots of Deer Run Subdivision are divided into two (2) approximately equal parts as provided by this Declaration.

2.15 **Lot.** "Lot" means any of the separate parcels numbered and identified on the Plat or Plats of Deer Run Subdivision, as the same may be recorded from time to time.

2.16 **Mortgagee.** "Mortgagee" means any holder, insurer, or guarantor of any first mortgage on any Half-Lot.

2.17 **Owner.** "Owner" means any person or persons who acquire, after the date of this Declaration, legal and/or equitable title to any Half-Lot; provided, however, that "Owner" shall not include any holder of any mortgage of all or any part of any Half-Lot, so long as such holder does not hold both legal and equitable title thereto.

2.18 **Plat.** "Plat" means the final Plat or Plats of Deer Run Subdivision as the same may be recorded from time to time in the Office of the Recorder of Johnson County, Indiana.

2.19 **Residential Unit.** "Residential Unit" means an attached single-family dwelling which shares a common wall with a single-family dwelling on the same Lot.

2.20 **Streets.** "Streets" means all of the public and private roadways to the respective right-of-way lines thereof, as shown on the Plat of Deer Run Subdivision, which have been or hereafter are constructed for the purpose of providing common access for Owners, occupants and their guests and invitees, to any or all Half-Lots.
GENERAL HALF-LOT DEVELOPMENT AND USE RESTRICTIONS

3.1 **Lot Division.** Each Lot shall be divided into two (2) Half-Lots and each Half-Lot shall be conveyed as a separately designated legally described freehold estate, subject to the terms, conditions, and provisions in these Covenants set forth. The Half-Lots shall be delineated and described as a metes and bounds part of the Half-Lot of which it is a part, done at such time as the Residential Units are complete enough to establish the relationship of the common wall to the Lot's perimeter.

3.2 **Residential Use.** No Half-Lot shall be used except for residential purposes and no building shall be erected, altered, or placed on any Half-Lot, other than one (1) attached Residential Unit not to exceed two stories in height with a private attached garage for not less than one (1) car or more than two (2) cars.

3.3 **Minimum Floor Area.** No Residential Unit shall be less than One Thousand (1000) square feet of living space for a one-story Unit and Fourteen Hundred (1400) square feet for a two-story Unit.

3.4 **Set-Back Requirements.** The minimum aggregate of the side yards on any Lot shall be twelve (12) feet, provided, however, that no Unit shall be located less than six (6) feet from a Half-Lot line.

3.5 **Common Wall.** Lots are reserved for attached single-family residential use and will have erected thereon two (2) Residential Units which share a Common Wall. Such Common Wall comprises a part of the common tract lines between each Half-Lot. Each Common Wall, which is built as part of the original construction and connects two (2) Half-Lots, shall constitute a Common Wall or party wall, and to the extent not inconsistent with the provisions of these Covenants, the general rules of law regarding common walls or party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

3.6 **Common Wall Maintenance.** Adjoining Half-Lot Owners shall have the right in the Common Wall for maintenance purposes.

3.7 **Trash Disposal.** All builders shall provide for the trash generated during construction by means of a dumpster, preferably maintained by a commercial trash disposal company. Failure to provide for such trash may cause the Architectural Control Committee to provide for such cleaning and disposal. If the Architectural Control Committee provides for the cleaning and disposal, the builder will be billed for this service. This shall be at the sole discretion of the Architectural Control Committee.

3.8 **Construction Period.** Unless a delay is caused by strikes, war, court injunction, or acts of God, the exterior of any Residential Unit upon any Half-Lot shall be completed within one (1) year after the date of commencement of the building process, after which time, the building committee may reenter, take possession of said Half-Lot, without notice, sell the same together with improvements; and after payment of liens and expenses, pay the balance of the sale proceeds to the owner of said Half-Lot at the time of sale.

3.9 **Offensive Activity.** Noxious or offensive activity shall not be carried on upon any Half-Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

3.10 **Outbuildings.** No detached garages, sheds, barns, mini barns, dog houses, shacks or tents shall be maintained on any Half-Lot.

3.11 **Swimming Pools.** No above ground swimming pools shall be permitted within the subdivision. Any pool, pool house, or fencing for a pool shall have a written approval of the Architectural Control Committee.

Page 4
Deer Run Declarations of Covenants, Conditions & Restrictions
February 4, 1997
JOHNSON.RAYNEWLIFE.DEVERUNHOACCR&AMEN
3.12 **Signs.** No sign of any kind shall be displayed to the public view on any Half-Lot, except signs used by a Builder, Realtor, or Owner to advertise the property during the construction and sale period.

3.13 **Mining Operations.** No oil drillings, oil development operations, oil refining, quarries, or mining operations of any kind shall be permitted upon or in any Half-Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any Half-Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted on any Half-Lot. All gas and oil tanks must be concealed.

3.14 **Animals.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Half-Lot except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose.

3.15 **Trash.** No Half-Lot shall be used or maintained as a dumping ground for rubbish, trash, or garbage.

3.16 **Satellite Dishes.** Antennas, satellite dishes over eighteen (18) inches in size, masts, or towers of any kind will not be permitted on any Half-Lot or outside any dwelling.

3.17 **Siteline Obstructions.** No fence, wall, hedge, or shrub planting which obstructs the sitelines at elevations greater than two (2) feet above roadways shall be placed or permitted to remain on any corner Half-Lot within the triangular area formed by the street row lines and a line connecting them at points thirty-five (35) feet from the intersection of the street row lines, or in the case of rounded property corner, for the intersection of the street property lines extended. The same sight line limitations shall apply on any Half-Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway pavement.

3.18 **Recreational Facilities.** All basketball backboards and other fixed games shall be located behind the front foundation line of the main structure and within the Half-Lot setback line. No swing sets, jungle gyms, or play structures shall be maintained on any Half-Lot.

3.19 **Unimproved Half-Lots.** Half-Lots and yards shall be kept mowed regardless of whether a dwelling has been constructed on the Half-Lot. Owners of Half-Lots without Residential Units shall be held responsible for the trash, weeds, and general condition of the Half-Lots.

3.20 **Water and Sewer Systems.** No individual water supply system or sewage system, except those existing at the time of the execution of these Declarations, shall be permitted on any Half-Lot, except for Geo-Thermal heating systems.

3.21 **Inoperative or Unlicensed Vehicles.** Any motor vehicle which is inoperative or unlicensed and not being used for normal transportation will not be permitted to remain on any Half-Lot. Campers, recreational vehicles, or boats of any kind may not be stored or parked on any Half-Lot outside the main dwelling or garage.

3.22 **Enforcement.** Violation of any of the covenants or restrictions of this Plat or of those contained in the Declaration of Covenants and Restrictions for the Deer Run Subdivision Association, referenced herein, shall be subject to liquidated damages in the sum of Fifty Dollars ($50.00) per day for each day the violation continues and to all other remedies, including injunction, provided by law or in equity and all costs and expenses incurred by the Declarant or property owners, including attorneys fees, in litigation or other procedures required to remedy such violations shall be paid by the Owners(s) of the Half-Lot or Half-Lots found to be in violation. By acceptance of a deed for title to any Half-Lot within this Plat, the grantee acknowledges the provisions of this document and agrees to be
bound thereby and to pay the costs and expenses described in this paragraph where applicable. The right to enforce these provisions by injunction, together with the right to cause the removal, by due process of the law, of any structure or part thereof, is hereby dedicated to public and reserved to the several Owners of the several Half-Lots in this subdivision and to their heirs and assigns. Enforcement shall be by proceedings at law or in equity against the person or persons violating or attempting to violate any covenants either to restrain violation or to recover damages. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect. Failure to enforce any specific requirement of the covenants shall not be considered as a waiver of the right to enforce any covenant herein, thereafter.

3.23 **Roof Pitch.** No dwelling shall have a roof pitch of less than 5/12 (5 inches rise to 12 inches horizontal) unless otherwise approved in writing by the Architectural Control Committee prior to construction.

3.24 **Brick Fronts.** The front elevation of each Unit, including the garage gable, shall be brick veneer.

3.25 **Mailboxes.** A post with two (2) mailboxes, one (1) mailbox per each Half-Lot of that Lot, shall be installed on each Lot. The style and model of the post and mailboxes shall be specified by the Declarant.

3.26 **Coach Lights.** A light post and coach light equipped with a dusk to dawn eye sensor shall be installed on each Half-Lot. The coach light style and model shall be specified by the Declarant.

3.27 **Fences.** A privacy fence no longer than ten (10) feet and no higher than eight (8) feet shall be constructed on each Lot and located between each Unit.

3.28 **Address Blocks.** An address block shall be installed in the brick front of each Unit. The design and placement of the address block shall be specified by the Declarant.

3.29 **Landscaping.** Four (4) shrubs, approximately twelve (12) to sixteen (16) inches in diameter, and one (1) tree with a trunk diameter of approximately one and one-half inches (1½") shall be planted on each Half-Lot.

4 **DEER RUN SUBDIVISION ARCHITECTURAL CONTROL COMMITTEE**

4.1 **Architectural Control Committee (ACC).** The Board of Directors of the Association, or Declarant, so long as Declarant owns more than six (6) Half-Lots, shall appoint an Architectural Control Committee to be composed of three (3) members.

4.2 **Construction Approvals.** No construction of any building or structure of any kind, including additions or remodeling involving exterior changes, alterations, fences, screens and walls shall begin within Deer Run Subdivision until the plans and specifications, locations and plot plan thereof, in detail and to scale have been submitted to and approved by the Architectural Control Committee. The plans and specifications of and location of all construction shall be in compliance with all applicable regulatory codes, including those relating to building, plumbing, and electrical requirements, and shall also comply to all zoning covenants and restrictions which are applicable to the Real Estate. Refusal of approval of plans and specifications, location, and plot plan by Architectural Control Committee may be based on any ground, including purely aesthetic grounds, in the sole and absolute discretion of the Architectural Control Committee.

The plans and specifications submitted to the ACC shall contain a plot plan to scale with adequate provision
for landscaping, including the planting of trees and shrubs. The determination of whether adequate provision has been made for landscaping shall be at the sole discretion of the Architectural Control Committee. The required landscaping and driveways shall be completed at the time of completion of the building, or as soon as weather and season permit. The destruction of trees and vegetation and any other such matter as may affect the environment and ecology of Deer Run Subdivision area shall be the proper concern of the ACC.

4.3 **Duties of Committee.** The Committee shall approve or disapprove proposed improvements within thirty (30) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the ACC for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons. Neither the ACC members nor the designated representatives shall be entitled to compensation for services performed pursuant to this Declaration.

4.4 **Liability of Committee.** Neither the Committee nor any agent thereof, nor Declarant, shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

4.5 **Inspection.** The ACC or its agent may inspect work being performed to assure compliance with the approved plans and this Declaration.

4.6 **ACC Approval Procedure.** The Architectural Control Committee’s approval or disapproval as required in these covenants shall be in writing. In the event the committee or its designated representative fails to approve or disapprove the plans as required herein within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

5 **DRAINAGE SYSTEM/DETENTION POND RESTRICTIONS.**

5.1 **Detention Pond Use.** Recreational use of the Detention Ponds is prohibited. The Detention Ponds are to be used for storm water detention and drainage purposes only. Docks and similar structures are prohibited on any portion of the Half-Lots or Detention Ponds.

5.2 **Interference with Detention Ponds.** No Owner or third party shall do or permit another to do any act which could result in pollution of Detention Ponds, diversion of any water, raise or lower the elevation of the water, significantly disturb the earth or the embankment of a Detention Pond, or any other conduct which could result in an adverse effect upon the water quality, embankment, and adjacent property, drainage, or any other general condition of the Detention Pond. Pumping water from the Detention Ponds is specifically prohibited.

5.3 **Enforcement of Detention Pond Restrictions.** Any Owner, the Association, or the appropriate governmental authorities at their discretion, shall have the authority to institute an action for injunction to abate such activity or seek mandatory relief for correction of any damage caused to the Detention Ponds, together with any damages incurred, and upon recovery of judgment shall be entitled to cost, together with reasonable attorneys’ fees.

5.4 **Drainage Systems.** Drainage swales (ditches) along dedicated roadways and within the right-of-way, or on dedicated easements, are not to be altered, dug out, filled in, tiled or otherwise changed without the written permission of the appropriate governmental authorities. Owners must maintain these swales as sodded grassways, or other non-erosion surfaces. Water from roofs or parking areas must be contained on the property long enough so that said drainage swales or ditches will not be damaged by such water. Driveways may be constructed over these swales or ditches only when appropriate sized culverts or other approved structures have been permitted by the appropriate governmental authorities. Any Owner altering, changing, damaging, or failing to maintain these drainage swales or
ditches will be held responsible for such action and will be given ten (10) days notice by certified mail to repair said damage, after which time, if no action is taken, the appropriate governmental authorities may cause said repairs to be accomplished and the bill for said repairs will be sent to the affected Owner for immediate payment. Failure to pay will result in a lien against the Owner's Half-Lot.

5.5 **Field Tiles.** Any field tile or underground drain which is encountered in construction or any improvement within Deer Run Subdivision shall be perpetuated, and all Owners of Half-Lots within this subdivision and their successors shall comply with the Indiana Drainage Code of 1965 as amended.

5.6 **Outdoor Storage.** No vehicles, boats, materials, machinery, equipment or other such items shall be permitted to be kept or stored within the Drainage Easements.

5.7 **Improvements or Outbuildings.** No improvements or outbuildings of any kind, including detached garages, sheds, barns, storage buildings, shacks, or tents shall be permitted within the Drainage Easement.

5.8 **Construction, Earth-Moving, Excavation.** No significant construction, earth-moving, or excavating work of any nature may be conducted by Owner within the Drainage Easements.

5.9 **Easement to Association.** Declarant hereby grants a non-exclusive easement in favor of the Association for the maintenance of the Drainage System/Detention Ponds (including, but not limited to, Owner's lawns). Said easement shall permit the Board or its agents to enter onto any lot to maintain; to make emergency repairs or to do other work reasonably necessary for the proper maintenance or operation of the Drainage System/Detention Ponds.

6 **COVENANTS FOR MAINTENANCE ASSESSMENTS**

6.1 **Assessments for Drainage System/Detention Ponds.** The Assessments levied by the Association shall be used for the purpose of maintenance, repairs, and upkeep of the Detention Ponds, Drainage Easements and appurtenances existing as a part of the Drainage System within Deer Run Subdivision, as the same may be platted from time to time, including, but not limited to, the payment of any necessary insurance thereon and for the cost of labor, equipment, material, and management furnished with respect to the System; provided that the Association shall not be responsible for the replacement, repair or maintenance of any part of the Drainage System which is or hereafter may be dedicated to the public. Each Owner hereby covenants and agrees to pay to the Association:

6.1.1 A pro-rata share (as hereinafter defined) of the annual Assessments fixed, established, and determined from time to time as hereinafter provided.

6.1.2 A pro-rata share (as hereinafter defined) of any special Assessments fixed, established, and determined from time to time, as hereinafter provided.

6.2 **Assessments for Common Maintenance Property.** Maintenance, repairs and upkeep of the Common Maintenance Property shall be furnished by the Association, as a part of its duties, and the cost thereof shall constitute a part of the Common Expenses.

6.2.1 The Association, as part of its duties, and as part of the Common Expenses, shall provide for:

6.2.1.1 Snow removal for the non-public Access Easements; and
6.2.1.2 Exterior walls and exterior surfaces, including roofs but excluding windows and doors of the Units; and

6.2.1.3 Maintenance of the lawns, which shall be considered part of the Common Maintenance Property for purposes of maintenance only. Maintenance of lawns shall mean the mowing of grass and the care, fertilizing, trimming, removal and replacement of trees planted by the Declarant. It shall not include the watering of lawns on Lots which shall be the responsibility of the Owner nor the care and maintenance of (i) shrubs, (ii) trees which were not planted by Declarant, (iii) flowers or (iv) other plants on any Lot.

The foregoing notwithstanding, maintenance of lawns shall not mean the mowing of grass within the fenced portion of any Lot.

The Board of Directors may adopt such other rules and regulations concerning maintenance, repair, use and enjoyment of the Common Maintenance Property as it deems necessary.

6.2.2 Notwithstanding any obligation or duty of the Association to maintain any of the Common Maintenance Property, 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, lessee, invitee or other occupant or visitor of such Owner, damage shall be caused to the Common Maintenance Property, or if maintenance, repairs or replacements shall be required thereby which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Association, the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's Lot is subject.

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

6.3 **Liability for Assessments.** Each Assessment, together with any interest thereon and any costs of collection thereof, including attorneys' fees, shall be a charge on each Half-Lot and shall constitute a lien from and after the due date thereof in favor of the Association upon each Half-Lot. Each such Assessment, together with any interest thereon and any costs of collection thereof, including attorneys' fees, shall also be the personal obligation of the Owner of each Half-Lot at the time when the Assessment is due. However, the sale or transfer of any Half-Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No such sale or transfer shall relieve any Owner of the personal liability hereby imposed. The personal obligation for delinquent Assessments shall not pass to any successor in title unless such obligation is expressly assumed by such successor.

6.4 **Pro-rata Share.** The pro-rata share of each Owner for purposes of this section shall be the percentage obtained by dividing one by the total number of Half-Lots of Deer Run Subdivision, as the same may be recorded from time to time ("Pro-Rata Share").

6.5 **Basis of Annual Assessments.** The Board of Directors of the Association shall establish an annual budget prior to the beginning of each fiscal year, setting forth all Maintenance Expenses for the coming fiscal year, together with a reasonable allowance for contingencies and reserves of the Association. A copy of this budget shall be delivered to each Owner within thirty (30) days to the beginning of each fiscal year of the Association.
6.6 **Basis of Special Assessments.** Should the Board of Directors of the Association at any time during the fiscal year determine that the Assessments levied with respect to such year are insufficient to pay the Maintenance Expenses for such year, the Board of Directors of the Association may, at any time, and from time to time, levy such special Assessments as it may deem necessary for meeting the Maintenance Expenses. In addition, the Board of Directors of the Association shall have the right to levy at any time, and from time to time, one or more special Assessments for the purpose of defraying, in whole, or in part, any unanticipated Maintenance Expense not provided for by the annual Assessments.

6.7 **Fiscal Year: Date of Commencement of Assessments; Due Dates.** The fiscal year of the Association shall be established by the Association and may be changed from time to time by action of the Association. The annual Assessments provided for herein shall commence as to all Half-Lots in Deer Run Subdivision on the first day of the month following the Declarant's transfer of control of the Association to the Owners pursuant to Section 9.12 below. Declarant shall not be obligated to pay any assessments prior to said transfer, but shall be obligated to pay all maintenance expenses prior to said transfer. The first annual Assessment for each Half-Lot shall be prorated for the balance of the fiscal year of the Association in which such Assessment is made. The annual Assessment for each year after the first Assessment year shall be due and payable on the first day of each fiscal year of the Association. Annual Assessments shall be due and payable in full as of the above date, except that the Association may from time to time by resolution authorize the payment of such Assessments in installments.

6.8 **Duties of the Association.**

6.8.1 The Board of Directors of the Association shall cause proper books and records of the levy and collection of each annual and special Assessment to be kept and maintained, including a roster setting forth the identification of each and every Half-Lot and each Assessment applicable thereto, which books and records shall be kept in the office of the Association and shall be available for the inspection and copying by each Owner or duly authorized representative of any Owner) at all reasonable times during regular business hours of the Association. The Board of Directors of the Association shall cause written notice of all Assessments levied by the Association upon the Half-Lots and upon the Owners to be mailed to the Owners or their designated representatives as promptly as practicable and in any event not less than thirty (30) days prior to the due date of such Assessment or any installment thereof. In the event such notice is mailed less than thirty (30) days prior to the due date of the Assessment to which such notice pertains, payment of such Assessment shall not be deemed past due for any purpose if paid by the Owner within thirty (30) days after the date of actual mailing of such notice.

6.8.2 The Association shall promptly furnish to any Owner or Mortgagee upon request a certificate in writing signed by an officer of the Association, setting forth the extent to which Assessments have been levied and paid with respect to such requesting Owner's or Mortgagee's Half-Lot. As to any persons relying thereon, such certificate shall be conclusive evidence of payment of any Assessments therein stated to have been paid.

6.8.3 The Association shall notify any Mortgagee from which it has received a written request for notice of any default in the performance by any Owner of any obligation under the By-Laws of the Association or this Declaration which is not cured within sixty (60) days.

6.9 **Non-payment of Assessments; Remedies of Association.**

6.9.1 If any Assessment is not paid on the date when due, then such Assessment shall be deemed delinquent and shall together with any interest thereon and any cost of collection thereof, including attorneys' fees, become a continuing lien on the Half-Lot against which such Assessment was made, and such lien shall be binding upon and enforceable as a personal liability of the Owner of such Half-Lot as of the date of levy of such Assessment, and shall be enforceable against the interest of such Owner and all future successors and assignees of such Owner in such
Half-Lot; provided, however, that such lien shall be subordinate to any mortgage on such Half-Lot recorded prior to the date on which such Assessment becomes due.

6.9.2 If any Assessment upon any Half-Lot is not paid within fifteen (15) days after the due date, such Assessment and all costs of collection thereof, including attorneys' fees, shall bear interest from the date of delinquency until paid at the annual interest rate allowable on judgments rendered in the State of Indiana at the time such Assessment is due, and the Association may bring an action in any court having jurisdiction against the delinquent Owner to enforce payment of the same and/or to foreclose the lien against said Owner's Half-Lot, and there shall be added to the amount of such Assessment all costs of such action, including the Association's attorneys' fees, and in the event a judgment is obtained, such judgment shall include such interest, costs, and attorneys' fees.

6.10 Adjustments. In the event that the amounts actually expended by the Association for Maintenance Expenses in any fiscal year exceed the amounts budgeted and assessed for Maintenance Expenses for that fiscal year, the amount of such deficit shall be carried over and become an additional basis for Assessments for the following fiscal year. Such deficit may be recouped either by inclusion in the budget for annual Assessments or by the making of one or more special Assessments for such purpose, at the option of the Association. In the event that the amounts budgeted and assessed for Maintenance Expenses in any fiscal year exceed the amount actually expended by the Association for Maintenance Expenses for that fiscal year, a Pro-Rata Share of such excess shall be a credit against the Assessment(s) due from each Owner for the next fiscal year(s).

7 ORGANIZATION AND DUTIES OF ASSOCIATION

7.1 Organization of Association. The Declarant shall establish the Association to be organized as a mutual benefit and nonprofit corporation under the laws of the State of Indiana, to be operated in accordance with The Articles of Incorporation which have been filed or will be filed by Declarant.

7.2 Membership. The members of the Association shall consist of the Declarant and the Owners of Half-Lots in Deer Run Subdivision as the same may be platted from time to time, provided that, in the event that any one Half-Lot shall be owned by more than one person, partnership, trust, corporation, or other entity, they shall be treated collectively as one member for voting purposes.

7.3 Board Of Directors. The members shall elect a Board of Directors of the Association as prescribed by the Association By-Laws. The Board of Directors shall manage the affairs of the Association.

7.4 General Duties of the Association. The Association is hereby authorized to act and shall act on behalf of, and in the name, place, and stead of the individual Owners in all matters pertaining to the maintenance, repair, and replacement of the Drainage System, Detention Ponds, Common Area, the determination of Maintenance Expenses, and the collection of annual and special Assessments for the perpetuation of the Drainage System, Detention Ponds, and Common Area and common benefit of all such Owners. The Association shall also have the right, but not the obligation, to act on behalf of any Owner or Owners in seeking enforcement of the Covenants contained in this Declaration. Neither the Association nor its officers or authorized agents shall have any liability whatsoever to any Owner for any action taken under color or authority of this Declaration, or for any failure to take any action called for by this Declaration, unless such act or failure to act is in the nature of a willful or reckless disregard of the rights of the Owners or in the nature of willful, intentional, fraudulent, or reckless misconduct.

7.5 Amendment of Declaration. The Association shall have the right to amend this Declaration at any time, and from time to time, upon the recommendation of an amendment to the Association by its Board of Directors, and the subsequent approval of such amendment by both the Owners of at least two-thirds of the Half-Lots and the Mortgagees of at least two-thirds of the Mortgagees requesting notice of such actions provided, however, that
any such amendment of this Declaration shall not bring about any inequitable Assessments on any particular Owner(s). Each such amendment must be evidenced by a written instrument, signed and acknowledged by duly authorized officers of the Association, and by Declarant when its approval is required, setting forth facts sufficient to indicate compliance with this paragraph, including as an exhibit or addendum thereto a certified copy of the minutes of the Association meeting at which the necessary actions were taken, and such amendment shall not be effective until recorded in the Office of the Recorder of Johnson County. No such amendment shall substantially alter the Drainage System or Detention Ponds or effect a modification of any covenants or commitments undertaken in connection with any platting approvals or zoning without the prior approval of the appropriate government authorities.

7.6 **Insurance.** The Association shall maintain in force adequate public liability insurance protecting the Association against liability for property damage and personal injury with the amount of such coverage in no event to be less than One Million Dollars ($1,000,000.00) for any single occurrence, occurring on or in connection with the Drainage System, Detention Ponds, and/or Common Area. The Association shall also maintain in force adequate casualty and extended coverage insurance, insuring the Drainage System, Detention Ponds, and Common Area against casualty, vandalism and such other hazards as may be insurable under standard "extended coverage" provisions, in an amount equal to the full replacement value of such Drainage System, Detention Ponds, and/or Common Area improvements. The Association shall notify all Mortgagees which have requested notice of any lapse, cancellation, or material modification of any insurance policy. All policies of insurance shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, Board members, the Declarant, any property manager, their respective employees and agents, the Half-Lot Owners and occupants, and also waives any defenses based on co-insurance or on invalidity arising from acts of the insured and shall cover claims of one or more insured parties against other insured parties.

The Association shall maintain a fidelity bond indemnifying the Association, the Board of Directors, and the Owners for loss of funds resulting from fraudulent or dishonest acts of any director, officer, employee or anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The fidelity bond should cover the maximum amount of funds which will be in the custody of the Association or its management agent at any time, but in no event shall such fidelity bond coverage be less than the sum of three (3) months' Assessments on all Half-Lots in Deer Run Subdivision, plus the Association's reserve funds.

The Association shall cause all insurance policies and fidelity bonds to provide at least ten (10) days written notice to the Association, and all Mortgagees who have requested such notice, before the insurance policies or fidelity bonds can be canceled or substantially modified for any reason.

7.7 **Condemnation; Destruction.** In the event that any of the Drainage System, Detention Ponds, and/or Common Area shall be condemned or taken by any competent public authority, or in the event the same shall be damaged or destroyed by any cause whatsoever, the Association shall represent the interests of the Owners in any proceedings, negotiations, insurance adjustments, settlements, or agreements in connection with such condemnation, damage, or destruction. Any sums recovered by the Association shall be applied, first, to the restoration and repair of any part of the Drainage System, Detention Ponds, and/or Common Area condemned, damaged, or destroyed, to the extent such restoration or repair is practicable, and the balance of such sums shall either be held as a reserve for future maintenance of the Drainage System, Detention Ponds, and/or Common Area or turned over to the Owners in proportion to their Pro-Rata Shares, whichever may be determined by a majority vote of the members of the Association. Each Owner shall be responsible for pursuing his own action for damages to his Half-Lot, either by reason of direct damage thereto or by reason of impairment of value due to damage to the Drainage System, Detention Ponds, and/or Common Area; provided, however, that upon request of any Owner(s), the Association shall pursue such claims on such requesting Owner(s) behalf, and shall turn any recoveries for such Owners over to such Owners directly. The Association shall notify all Mortgagees of which it has notice of any condemnation, damage, or destruction of any part of the Drainage System, Detention Ponds, or Common Area.
7.8 **Mortgagees’ Rights.** The mortgagees shall have the right, at their option, jointly or severally, to pay charges which are in default or which may or have become a charge against the Drainage System, Detention Ponds, and/or Common Area to pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for the Drainage System, Detention Ponds, and/or Common Area and Mortgagees making such payment shall be owed immediate reimbursement from the Association.

8 **ADDITIONS TO DEER RUN**

8.1 **Method and Scope of Addition.** Declarant, at its option, and from time to time, may expand Deer Run to include all or any parts of the Additional Property described in the attached Exhibit "B" by subsequent platting thereof consisting of one or more Lots and any Common Maintenance Property which in the discretion of Declarant is appropriate with such an addition. Such further addition, if added, shall be added by the recordation of a plat of such addition, consistent in detail and layout with the plat of Deer Run and recorded plats of previous additions, and by the recordation of a supplemental declaration imposing upon such addition the terms and conditions of this Declaration, together with any provisions particular to such Addition. Declarant hereby covenants that no real property shall be added thereto which is not within the Additional Property described in Exhibit "B."

8.2 **Time for Expansion.** No additional sections shall be added after the date which is twenty (20) years after the date on which the plat for Deer Run Subdivision was recorded.

9 **GENERAL PROVISIONS**

9.1 **Covenants Run With the Land.** The Covenants created by this Declaration shall attach to and run with the Real Estate and shall be binding upon every person who may hereafter come into ownership, occupancy, or possession of any portion of the Real Estate.

9.2 **Scope of Covenants.** Declarant and each Owner of any Half-Lot by acceptance of a deed, whether or not it shall be expressed in such deed, are deemed to have agreed to each and every one of the Covenants contained in this Declaration, and the same shall be of mutual and reciprocal benefit to Declarant and each Owner of each Half-Lot. Declarant and each Owner shall be entitled to enforce this Declaration against any Owner to the full extent permitted herein and under applicable law, and shall have all rights and remedies for such enforcement at law or in equity. Each Owner shall be liable for any failure to fully comply with all of the Covenants contained in this Declaration only so long as each such Owner have any interest in any Half-Lot; provided, however, that the relinquishing of all of such interest shall not operate to release any Owner from liability for a failure to comply with this Declaration which occurred while said Owner had such interest.

9.3 **Attorneys’ Fees.** As to any legal or equitable proceedings for the enforcement of, or to restrain the violation of this Declaration, or any provision thereof, if the party bringing such action is successful in obtaining any remedy against any defaulting Owner, such defaulting Owner shall pay the reasonable attorneys’ fees of such successful party, in such amount as may be fixed by the Court in such proceedings.

9.4 **Failure to Enforce Not a Waiver of Rights.** The failure of Declarant, the Association, or any Owner to enforce any Covenant herein contained shall in no event be deemed to be a waiver of the right to do so thereafter, nor of the right to enforce any other such Covenant.

9.5 **Rights of Mortgagees.** Except to the extent otherwise provided herein, no breach of this Declaration shall defeat or render invalid the lien of any mortgage now or hereafter executed upon any portion of the Real
Estate: provided, however, that if all or any portion of said Real Estate is sold under a foreclosure of any mortgage, any purchaser at such sale and his successors and assigns shall hold any and all land so purchased subject to this Declaration. Other provisions herein notwithstanding, neither the Owners nor the Association shall have any right to make any amendment to this Declaration which materially impairs the rights of any Mortgagee holding, insuring, or guaranteeing any mortgage on all or any portion of the Real Estate at the time of such amendment.

9.6 **Effect of Invalidation.** If any provision of this Declaration is held to be invalid by any court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof.

9.7 **Section Headings.** Section headings used herein are used for convenience only and are not intended to be a part of this Declaration or in any way to define, limit, or describe the scope and intent of the particular sections to which they refer.

9.8 **Notices.** All notices in connection with this Declaration shall be made in writing and shall be deemed delivered (a) upon personal delivery to the individual person, if any, designated in writing by the Owner, as listed in the roster of Owner's names and addresses referred to hereinabove; or (b) seventy-two (72) hours after the deposit thereof in any United States main or branch post office, first class postage prepaid, properly addressed to the addressee thereof at the address listed in the said roster.

9.9 **Deed Clause to Implement Declaration.** Each Owner covenants and agrees that it will not execute or deliver any deed or conveyance of a fee title interest in any Half-Lot, or any portion thereof, unless such deed or conveyance contains a clause substantially as follows:

"By acceptance and recording of this conveyance, the Grantee herein covenants and agrees to be bound by the Covenants For Deer Run Subdivision Drainage System, Detention Ponds, and Common Area pertaining to the real estate hereby granted, which is recorded in the Office of the Recorder of Johnson County, Indiana," and properly identifying the instrument number therein. However, the failure to include such clause shall not have any effect on this Declaration or the enforceability thereof against any Owner of any interest in any portion of the Real Estate.

9.10 **Provision Against Merger.** Declarant hereby intends that the Real Estate shall be subject to this Declaration, that the Covenants contained herein shall not be merged into the title of the Declarant regardless of whether Declarant is the fee title owner of all or any part of the Real Estate at the time this Declaration is executed or recorded.

9.11 **Reservations of Declarant.** Other provisions herein notwithstanding, Declarant hereby reserves the right to make such amendments to this Declaration as may be deemed necessary or appropriate by Declarant, so long as Declarant owns at least six (6) Half-Lots within Deer Run Subdivision without the approval or consent of the Owners or Mortgagees of the Half-Lots provided that Declarant shall not be entitled to make any amendment which has a materially adverse effect on the rights of any Mortgagee, nor which substantially impairs the benefits of this Declaration to any Owner, or substantially increases the obligations imposed by this Declaration on any Owner.

9.12 **Transfer of Control of Owner's Association.** Declarant shall transfer control of the Owner's Association to the Owners no later than the earlier of (a) four months after twelve (12) of the Half-Lots have been conveyed to Half-Lot purchasers or (b) twenty (20) years after the first Half-Lot is conveyed.
In Witness Whereof, the Declarant and Trustee has caused this Declaration to be executed on the date first above written.

NEW LIFESTYLE DEVELOPMENT INC.,
an Indiana Corporation

By: ______________________________
    Ray Johnson, President

STATE OF INDIANA          )
COUNTY OF JOHNSON          )

On this ___ day of ________, 1997, before me, a Notary Public, personally appeared Ray Johnson,
President, on behalf of New Lifestyle Development, Inc., an Indiana Corporation, personally known to me to be the
same person described in and who executed the within instrument, and the same person duly acknowledged to me
that she executed the same.

My Commission Expires: ______________________________

Notary Public, ______________________________
Resident of ______________________________ County, IN

THIS INSTRUMENT PREPARED BY:
Joe N. Van Valer, Attorney,
VAN VALER LAW FIRM,
299 West Main Street, P.O. Box 7575,
Greenwood, Indiana 46142.
317/881-7575
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Page No.</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GENERAL PURPOSE OF THIS DECLARATION</td>
</tr>
<tr>
<td>2</td>
<td>DEFINITIONS FOR ALL PURPOSES OF THIS DECLARATION</td>
</tr>
<tr>
<td>2.1</td>
<td>Architectural Control Committee</td>
</tr>
<tr>
<td>2.2</td>
<td>Assesssment</td>
</tr>
<tr>
<td>2.3</td>
<td>Association</td>
</tr>
<tr>
<td>2.4</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>2.5</td>
<td>Common Area</td>
</tr>
<tr>
<td>2.6</td>
<td>Common Expense</td>
</tr>
<tr>
<td>2.7</td>
<td>Common Maintenance Property</td>
</tr>
<tr>
<td>2.7.1</td>
<td></td>
</tr>
<tr>
<td>2.7.2</td>
<td></td>
</tr>
<tr>
<td>2.7.3</td>
<td></td>
</tr>
<tr>
<td>2.8</td>
<td>Covenants</td>
</tr>
<tr>
<td>2.9</td>
<td>Declarant</td>
</tr>
<tr>
<td>2.10</td>
<td>Deer Run Subdivision</td>
</tr>
<tr>
<td>2.11</td>
<td>Detention Pond</td>
</tr>
<tr>
<td>2.12</td>
<td>Drainage Easements</td>
</tr>
<tr>
<td>2.13</td>
<td>Drainage System</td>
</tr>
<tr>
<td>2.14</td>
<td>Half-Lot</td>
</tr>
<tr>
<td>2.15</td>
<td>Lot</td>
</tr>
<tr>
<td>2.16</td>
<td>Mortgagee</td>
</tr>
<tr>
<td>2.17</td>
<td>Owner</td>
</tr>
<tr>
<td>2.18</td>
<td>Plat</td>
</tr>
<tr>
<td>2.19</td>
<td>Residential Unit</td>
</tr>
<tr>
<td>2.20</td>
<td>Streets</td>
</tr>
<tr>
<td>3</td>
<td>GENERAL HALF-LOT DEVELOPMENT AND USE RESTRICTIONS</td>
</tr>
<tr>
<td>3.1</td>
<td>Lot Division</td>
</tr>
<tr>
<td>3.2</td>
<td>Residential Use</td>
</tr>
<tr>
<td>3.3</td>
<td>Minimum Floor Area</td>
</tr>
<tr>
<td>3.4</td>
<td>Set-Back Requirements</td>
</tr>
<tr>
<td>3.5</td>
<td>Common Wall</td>
</tr>
<tr>
<td>3.6</td>
<td>Common Wall Maintenance</td>
</tr>
<tr>
<td>3.7</td>
<td>Trash Disposal</td>
</tr>
<tr>
<td>3.8</td>
<td>Construction Period</td>
</tr>
<tr>
<td>3.9</td>
<td>Offensive Activity</td>
</tr>
<tr>
<td>3.10</td>
<td>Accessory Buildings</td>
</tr>
<tr>
<td>3.11</td>
<td>Swimming Pools</td>
</tr>
<tr>
<td>3.12</td>
<td>Signs</td>
</tr>
</tbody>
</table>

Deer Run Declarations of Covenants, Conditions & Restrictions
February 4, 1997
FJOHNSON.RAYNEWLIF.DEVDEERRUNHOACCR&AMEN.
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.13</td>
<td>Mining Operations</td>
<td>5</td>
</tr>
<tr>
<td>3.14</td>
<td>Animals</td>
<td>5</td>
</tr>
<tr>
<td>3.15</td>
<td>Trash</td>
<td>5</td>
</tr>
<tr>
<td>3.16</td>
<td>Satellite Dishes</td>
<td>5</td>
</tr>
<tr>
<td>3.17</td>
<td>Site Line Obstructions</td>
<td>5</td>
</tr>
<tr>
<td>3.18</td>
<td>Recreational Facilities</td>
<td>5</td>
</tr>
<tr>
<td>3.19</td>
<td>Unimproved Half-Lots</td>
<td>5</td>
</tr>
<tr>
<td>3.20</td>
<td>Water and Sewer Systems</td>
<td>5</td>
</tr>
<tr>
<td>3.21</td>
<td>Inoperative or Unlicensed Vehicles</td>
<td>5</td>
</tr>
<tr>
<td>3.22</td>
<td>Enforcement</td>
<td>5</td>
</tr>
<tr>
<td>3.23</td>
<td>Roof Pitch</td>
<td>6</td>
</tr>
<tr>
<td>3.24</td>
<td>Brick Fronts</td>
<td>6</td>
</tr>
<tr>
<td>3.25</td>
<td>Mailboxes</td>
<td>6</td>
</tr>
<tr>
<td>3.26</td>
<td>Coach Lights</td>
<td>6</td>
</tr>
<tr>
<td>3.27</td>
<td>Fences</td>
<td>6</td>
</tr>
<tr>
<td>3.28</td>
<td>Address Blocks</td>
<td>6</td>
</tr>
<tr>
<td>3.29</td>
<td>Landscaping</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>DEER RUN SUBDIVISION ARCHITECTURAL CONTROL COMMITTEE</td>
<td>6</td>
</tr>
<tr>
<td>4.1</td>
<td>Architectural Control Committee (ACC)</td>
<td>6</td>
</tr>
<tr>
<td>4.2</td>
<td>Construction Approvals</td>
<td>6</td>
</tr>
<tr>
<td>4.3</td>
<td>Duties of Committee</td>
<td>7</td>
</tr>
<tr>
<td>4.4</td>
<td>Liability of Committee</td>
<td>7</td>
</tr>
<tr>
<td>4.5</td>
<td>Inspection</td>
<td>7</td>
</tr>
<tr>
<td>4.6</td>
<td>ACC Approval Procedure</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>DRAINAGE SYSTEM/DETENTION POND RESTRICTIONS</td>
<td>7</td>
</tr>
<tr>
<td>5.1</td>
<td>Detention Pond Use</td>
<td>7</td>
</tr>
<tr>
<td>5.2</td>
<td>Interference with Detention Ponds</td>
<td>7</td>
</tr>
<tr>
<td>5.3</td>
<td>Enforcement of Detention Pond Restrictions</td>
<td>7</td>
</tr>
<tr>
<td>5.4</td>
<td>Drainage Systems</td>
<td>7</td>
</tr>
<tr>
<td>5.5</td>
<td>Field Tiles</td>
<td>8</td>
</tr>
<tr>
<td>5.6</td>
<td>Outdoor Storage</td>
<td>8</td>
</tr>
<tr>
<td>5.7</td>
<td>Improvements or Outbuildings</td>
<td>8</td>
</tr>
<tr>
<td>5.8</td>
<td>Construction, Earth-Moving, Excavation</td>
<td>8</td>
</tr>
<tr>
<td>5.9</td>
<td>Easement to Association</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>COVENANTS FOR MAINTENANCE ASSESSMENTS</td>
<td>8</td>
</tr>
<tr>
<td>6.1</td>
<td>Assessments for Drainage System/Detention Ponds</td>
<td>8</td>
</tr>
<tr>
<td>6.1.1</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>6.1.2</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>6.2</td>
<td>Assessments for Common Maintenance Property</td>
<td>8</td>
</tr>
<tr>
<td>6.2.1</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>6.2.1.1</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>6.2.1.2</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>6.2.1.3</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>6.2.2</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>6.2.3</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>6.3</td>
<td>Liability for Assessments</td>
<td>9</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>6.4 Pro-rata Share</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>6.5 Basis of Annual Assessments</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>6.6 Basis of Special Assessments</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.7 Fiscal Year; Date of Commencement of Assessments; Due Dates</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.8 Duties of the Association</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.8.1</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.8.2</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.8.3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.9 Non-payment of Assessments; Remedies of Association</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.9.1</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6.9.2</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>6.10 Adjustments</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>7 ORGANIZATION AND DUTIES OF ASSOCIATION</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>7.1 Organization of Association</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>7.2 Membership</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>7.3 Board of Directors</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>7.4 General Duties of the Association</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>7.5 Amendment of Declaration</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>7.6 Insurance</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>7.7 Condemnation; Destruction</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>7.8 Mortgagees’ Rights</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>8 ADDITIONS TO DEER RUN</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>8.1 Method and Scope of Addition</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>8.2 Time for Expansion</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>9 GENERAL PROVISIONS</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>9.1 Covenants Run With the Land</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>9.2 Scope of Covenants</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>9.3 Attorneys’ Fees</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>9.4 Failure to Enforce Note a Waiver of Rights</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>9.5 Rights of Mortgagees</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>9.6 Effect of Invalidation</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>9.7 Section Headings</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>9.8 Notices</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>9.9 Deed Clause to Implement Declaration</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>9.10 Provision Against Merger</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>9.11 Reservations of Declarant</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>9.12 Transfer of Control of Owner’s Association</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>
CERTIFICATE OF ACCEPTANCE

The undersigned person(s), as Owner(s) of a Half-Lot in Deer Run Subdivision, hereby acknowledge receipt of the Declaration of Covenants, Conditions, and Restrictions for Deer Run Subdivision and Amendment to the Declaration of Covenants, Conditions, and Restrictions for Deer Run Subdivision.

OWNER

Printed Name

Address of Half-Lot

Date

OWNER

Printed Name

THIS INSTRUMENT PREPARED BY:
Joe N. Van Valer, Attorney,
VAN VALER LAW FIRM,
299 West Main Street, P.O. Box 7575,
Greenwood, Indiana 46142.
317/881-7575

PAJOHNSON.RAYNEWLIFE.DEVEEERRUNHOA/CRC/ACEP.
BY-LAWS
OF
DEER RUN HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Name

1.1 The name of the corporation is Deer Run Homeowners Association, Inc., (hereinafter referred to as the "Association"). The principal office of the corporation shall be located at Franklin, Indiana, but meetings of Members and Directors may be held at such places within the State of Indiana, Johnson County, as may be designated by the Board of Directors.

ARTICLE II

Definitions

2.1 "Association" shall mean and refer to Deer Run Homeowners Association, Inc., its successors and assigns.

2.2 "Real Estate" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Declaration") for Deer Run Homeowners Association, Inc., and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

2.3 "Common Area" shall mean all property owned or maintained by the Association for the benefit of the Owners.

2.4 "Lot" shall mean and refer to any plot of land shown upon any recorded Plat of the Real Estate excepting the Common Area.

2.5 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Half-Lot which is a part of the Real Estate, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2.6 "Declarant" shall mean and refer to NEW LIFESTYLE DEVELOPMENT CORPORATION, Ray Johnson, President, its successors and assigns.

2.7 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Deer Run Homeowners Association, Inc. applicable to the Real Estate recorded in the Office of the Recorder of Johnson County.

2.8 "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.
inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

12.1 Annual Maintenance Fee Each Owner shall annually pay a maintenance fee of Thirty Dollars ($30.00) due and payable on November 1 of each year. The Annual Maintenance Fee for the current fiscal year of the Association shall become a lien on each separate Half-Lot as of the first day of each fiscal year of the Association.

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

12.3 Special Assessments From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and without the approval of the Owners, unless otherwise provided in these By-Laws, the Declaration or the Act, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Half-Lot (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, to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in the Declaration.

12.5 Failure of Owner to Pay Assessments No Owner may exempt himself from paying the Annual Maintenance Fee and Special Assessments, or from contributing toward the expenses of administration and of maintenance and repair of the Common Areas and Common Maintenance Property and, in the proper case, of the Limited Ages, of the Buildings, and toward any other expenses lawfully agreed upon, by waiver of the use or enjoyment of the Common Areas or by abandonment of the Half-Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person, the liability of such persons shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Annual Maintenance Fee or Special Assessments when due, the Board may in its own discretion, accelerate the entire balance of the unpaid Assessments and declare the same immediately due and payable, notwithstanding any other provisions hereof to the contrary. In any action to foreclose the lien for any Assessments, the Owner and any occupant of the Half-Lot shall be jointly and severally liable for the payment to the Association of reasonable rental for such Half-Lot, and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the
Half-Lot and to collect the rentals and other profits therefrom for the benefit of the Association to be applied to the unpaid Annual Maintenance Fee or Special Assessments. The Board may, at its option, bring a suit to recover a money judgment for any unpaid Annual Maintenance Fee or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover an Annual Maintenance Fee or Special Assessment, whether by foreclosure or otherwise, the Board, for and on behalf of the Association, shall be entitled to recover costs and expenses of such action incurred, including but not limited to reasonable attorneys' fees, from the Owner of the respective Half-Lot.

Notwithstanding anything contained in this Section or elsewhere in the Declaration and these By-Laws, any sale or transfer of Half-Lot to a mortgagee pursuant to a foreclosure on its mortgage or conveyance in lieu thereof, or a conveyance to any person at a public sale in the manner provided by law with respect to mortgage foreclosures, shall extinguish the lien of any unpaid installment of any Annual Maintenance Fee or Special Assessment as to such installments which become due prior to such sale, transfer or conveyance; provided, however, that the extinguishment of such lien shall not relieve the prior Owner from personal liability therefor. No such sale, transfer or conveyance shall relieve the Half-Lot or the purchaser at such foreclosure sale, or grantee in the event of conveyance in lieu thereof, from liability for any installments of Annual Maintenance Fee or Special Assessments thereafter becoming due or from the lien therefor. Such unpaid share of any Annual Maintenance Fee or Special Assessments, the lien for which has been divested as aforesaid, shall be deemed to be a Common Expense,collectible from all Owners (including the party acquiring the subject Half-Lot from which it arose), as provided in the Act.

12.6 Maintenance, Repairs and Replacements The Association shall provide for the maintenance of all exterior walls and surfaces, including roofs, water lines, gas lines, plumbing and electric lines which service the Owner's Half-Lot only. The Association shall also provide maintenance of lawns, sidewalks, stoops, patios, parking areas and other maintenance as deemed necessary from time to time in the judgment of the Board of Directors.

Every Owner shall promptly perform all maintenance and repair within his own Half-Lot which, if neglected, would affect the value of the Property. In addition, each Owner shall furnish, and shall be responsible at his own expense for, the maintenance, repairs and replacements of his Half-Lot and Limited Areas, and all equipment serving the same. Such maintenance, repairs and replacements which each Owner is responsible to make personally and at his own expense include, but are not necessarily limited to, all partitions and interior walls, ceilings and floors; appliances, to include garbage disposal, dishwashers, stoves, ranges and refrigerators, telephones, air conditioning and heating equipment (whether located wholly or partially inside or outside the Half-Lot), doors, screens and windows (including exterior and interior of all glass and screen surfaces), lamps, and interior grouting and/or caulking and all other accessories appurtenant to the Half-Lot or belonging to the Owner thereof.

If, due to the willful, intentional and negligent acts or omissions of an Owner or of a
2.9 “Common Expenses” shall mean the actual or estimated maintenance costs to the Association as provided in the Declaration.

2.10 “Common Maintenance Property” shall mean and refer to the property, easements, and Real Estate maintained by the Association for the benefit of the Owners and described in the Declaration.

2.11 “Half-Lot” shall mean and refer to any plot of land created when any Lot is divided into two (2) approximately equal parts as shown upon any recorded Plat of the Real Estate excepting the Common Area.

ARTICLE III

Meeting of Members

3.1 Purpose The meetings of the Members shall be held for the purpose of electing the Board of Directors, approving the annual budget, providing for the collection of Common Expenses and for such other purposes as may be required by the Declaration or these By-Laws.

3.2 Annual Meetings The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held at a time and date set by the Board of Directors.

3.3 Regular Meetings In addition to the annual meetings, regular meetings of the Members shall be held at such time and place as shall be determined by the Board of Directors.

3.4 Special Meetings Special meetings of the Members may be called at any time by the president or by the Board of Directors or upon written request of the Members who represent not less than a majority of the vote of the Corporation. The request shall be presented to the president or secretary of the Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the request.

3.5 Notice of Meetings Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

ARTICLE IV

Voting of Members
4.1 **Quorum**  The presence at the meeting of fifty percent (50%) of the Members entitled to cast, or of proxies entitled to cast, votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws.

4.2 **Proxies**  At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Half-Lot.

4.3 **Multiple Owner**  Where an Owner of a Half-Lot consists of more than one person, or is a partnership, there shall be only one vote allocable to that Half-Lot. At the time of acquisition of title to a Half-Lot by a Multiple Owner or a partnership, those persons constituting such Owner or the partners shall file with the secretary of the Corporation an irrevocable proxy appointing one of such persons or partners as the voting representative for such Half-Lot. The proxy shall remain in effect until all parties constituting such multiple Owner or partners designate another voting representative in writing, or the appointed representative relinquishes such appointment in writing, becomes incompetent, dies, or such appointment is otherwise rescinded by order of a court of competent jurisdiction or the Owner no longer owns such Half-Lot. Such appointed voting representative may grant a proxy to another to vote in his place at a particular meeting or meetings which shall not constitute a permanent relinquishment of his right to act as voting representative for the Half-Lot.

4.4 **Corporation or Trust**  Where a corporation is an Owner or is otherwise entitled to vote, an agent or other representative of the corporation duly empowered by the board of directors of such corporation may cast the vote to which the corporation is entitled. Where a trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust. The secretary of the corporation or a trustee of the trust so entitled to vote shall deliver or cause to be delivered prior to the commencement of the meeting a certificate signed by such person to the secretary of the Corporation stating who is authorized to vote on behalf of said corporation or trust.

4.5 **Conduct of Meetings**  Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these By-Laws.

4.6 **Conduct of Annual Meeting**  The President of the Association shall act as the Chairman of all annual meetings of the Association if he is present. At all annual meetings, the Chairman shall call the meeting to order at the duly designated time and business will be conducted in the following order:

4.6.1 **Reading of Minutes**  The Secretary shall read the minutes of the last annual meeting and the minutes of any special meeting held subsequent thereto, unless such reading is waived by a majority vote of the Owners who are present in person or by proxy.
4.6.2 Treasurer’s Report The Treasurer shall report to the Owners concerning the financial condition of the Association and answer relevant questions of the Owners concerning the Common Expenses and financial report for the prior year and the proposed budget for the current year.

4.6.3 Budget The proposed budget for the current fiscal year shall be presented to the Owners for approval or amendment.

4.6.4 Election of Board of Directors Nominations for the Board of Directors may be made by any Owner from those persons eligible to serve. Such nominations must be in writing and presented to the Secretary of the Association at least seven (7) days prior to the date of the annual meeting. Voting for the Board of Directors will be by paper ballot. The ballot shall contain the name of each person nominated to serve as a Board member. Each Owner may cast the total number of votes to which he is entitled for as many nominees as are to be elected; however, he shall not be entitled to cumulate his votes. Those persons receiving the highest number of votes shall be elected. Each voting Owner shall sign his ballot. The foregoing provisions are subject to the provisions of Section 3.2 hereof.

4.6.5 Other Business Other business may be brought before the meeting only upon a written request submitted to the Secretary of the Association at least seven (7) days prior to the date of the meeting; provided, however, that such written request may be waived at the meeting if agreed by a majority of the Percentage Vote.

4.6.6 Adjournment

4.7 Conduct of Special Meeting The President of the Association shall act as Chairman of any special meetings of the Association if he is present. The Chairman shall call the meeting to order at the duly designated time and the only business to be considered at such meeting shall be consideration of the matters for which such meeting was called, as set forth in the notice of such special meeting.

ARTICLE V
Board of Directors; Selection; Term of Office

5.1 Function The business and affairs of the Corporation shall be governed and managed by the Board of Directors (hereinafter referred to as the “Board”). No person shall be eligible to serve as a member of the Board unless he is, or is deemed in accordance with the Declaration to be, an Owner, including a person appointed by Declarant as a member of the Initial Board.

5.2 Initial Board of Directors The Initial Board of Directors (hereinafter referred to as the “Initial Board”) shall be appointed by the Declarant and shall hold office until the Applicable Date. In the event of any vacancy in the Initial Board prior to the Applicable Date,
such vacancy shall be filled by a person appointed by Declarant and shall be deemed a member
of the Initial Board. Each person serving on the Initial Board shall be deemed a Member and
an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and
for no other purpose. No such person serving on the Initial Board shall be deemed or
considered a Member of the Corporation nor an Owner of a Half-Lot for any other purpose
(unless he is actually the Owner of a Half-Lot and thereby a Member of the Corporation).

5.3 Additional Qualifications Where an Owner consists of more than one person or is a
partnership, corporation, trust or other legal entity, then one of the persons constituting the
multiple Owner, partner, officer or trustee shall be eligible to serve on the Board of Directors.
No single Half-Lot or Dwelling Unit may be represented on the Board of Directors by more
than one person at a time.

5.4 Number and Tenure The initial number of Directors shall be three (3). Each
initial Director shall hold office until the Declarant transfers control of the Association and
deeds the Common Area to the Association pursuant to the Declaration. Thereafter, each
member of the Board shall be deemed to be elected and re-elected as the Board of Directors
at each annual meeting until the Applicable Date provided herein. After the Applicable Date,
each member of the Board of Directors shall be elected for a term of three (3) years, except
that at the first election after the Applicable Date, one member of the Board shall be elected
for a three (3) year term, one for a two (2) year term, and one for a one (1) year term so that
the terms of one-third (1/3) of the members of the Board shall expire annually. Initial terms
shall be one-third (1/3) for one year, one-third (1/3) for two years, and one-third (1/3) for three
years. Each Director shall hold office throughout the term of his election and until his
successor is elected and qualified. Any vacancy or vacancies occurring in the Board shall be
filled by a vote of a majority of the remaining Directors or by vote of the Owners if less than
two (2) Directors remain. The Director so filling a vacancy shall serve until the next annual
meeting of the Members and until his successor is elected and qualified. At the first annual
meeting following any such vacancy, a Director shall be elected for the balance of the term of
the Director so removed.

5.5 Removal Any Director may be removed from the Board, with or without cause, by
a majority vote of the Members of the Association. In the event of death, resignation or
removal of a Director, his successor shall be selected by the remaining Directors of the Board
and shall serve for the unexpired term of his predecessor. A Director so elected shall serve
until the next annual meeting of the Owners and until his successor is duly elected and
qualified.

5.6 Compensation No Director shall receive compensation for any service he may
render to the Association. However, any Director may be reimbursed for his actual expenses
incurred in the performance of his duties.

5.7 Action Taken Without a Meeting The Directors shall have the right to take any
action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken as a meeting of the Directors.

5.8 **Indemnification** The Association shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made or threatened to be made a part to any action, suit or proceeding by reason of the fact that he, his testator or intestate is or was a Director or officer of the Association, against the reasonable expenses, including attorneys' fees, actually incurred by him in connection with the defense of such action, suit or proceeding that such Director or officer is liable for gross negligence or willful misconduct in the performance of his duties. The Association shall also reimburse to any such Director or officer the reasonable costs of settlement or of 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 willful misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director or officer, no Director or officer shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director or officer relied on the books and records of the Association or statements or advice made by or prepared by the managing agent (if any) or any officer thereof, or any accountant, attorney or other person, firm or corporation employed by the Association to render advice or service unless such director or officer had actual knowledge of the falsity or incorrectness thereof; nor shall a director or officer be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

The Association shall also indemnify any Director or officer in any other circumstance in which such indemnification is permissible under the Indiana Business Corporation Law.

**ARTICLE VI**

Nomination and Election of Directors

6.1 **Nomination** Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

6.2 **Election** Election to the Board shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest
number of votes shall be elected. Cumulative voting is not permitted.

**ARTICLE VII**

**Meetings of Directors**

7.1 **Regular Meetings** Regular meetings of the Board shall be held periodically without notice, at such place and time as may be fixed from time to time by resolution of the Board.

7.2 **Special Meetings** Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

7.3 **Quorum** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VIII**

**Powers and Duties of the Board of Directors**

8.1 **Powers** The Board of Directors shall have the power to:

8.1.2 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;

8.1.3 employ legal counsel, architects, contractors, accountants and others as in the judgment of the Board may be necessary or desirable in connection with the business and affairs of the Corporation;

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

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

8.1.6 open and maintain a bank account or accounts in the name of the Corporation.

8.1.7 adopt and publish rules and regulations governing the use of the Common Area, Easements, Detention Ponds and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
8.1.8 suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such right may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

8.1.9 exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

8.1.10 employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

8.2 Duties It shall be the duty of the Board of Directors to:

8.2.1 cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

8.2.2 employ a reputable and recognized professional property management agent (hereinafter referred to as 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. The Managing Agent shall assist the Board in carrying out its duties.

8.2.3 supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

8.2.4 send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

8.2.5 foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

8.2.6 issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

8.2.7 cause all officers or employees having fiscal responsibilities to be bonded, as provided in the Declaration;
8.2.8 cause the Common Area, Common Maintenance Property, Easements, and Detention Areas to be maintained as provided in the Declaration.

8.2.9 assess and collect from the Owners of each Owner's respective share of the Common Expenses;

8.2.10 keep a current, accurate and detailed record of receipts and expenditures affecting the Easements and Detention 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;

8.2.11 procure and maintain 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;

8.2.12 pay any other necessary expenses and costs in connection with the Easements and Detention Area; and

8.2.13 to furnish, upon request of any Mortgagee, insurer or guarantor of first mortgage, an audited financial statement for the immediately preceding fiscal year.

8.3 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:

8.3.1 contracts for replacing or restoring portions of the Easements and/or Detention Area damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;

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

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

8.4 Compensation

No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority of the Percentage Vote. Any member of the Board of Directors may be employed by the Association in another capacity and receive compensation for such employment. The Managing Agent shall be entitled to reasonable compensation for its services, the cost of which shall be a Common
8.5 Waiver of Notice Before any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The presence of any Director at a meeting or his subsequent consent to the actions taken thereat, shall, as to such Director, constitute a waiver of notice of the time, place and purpose thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

8.6 Non-Liability of Directors The Directors shall not be liable to the Owners or any other persons for any error or mistakes of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Association shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of Deer Run Subdivision or the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or By-Laws. It is intended that the Directors shall have not personal liability with respect to any contract made by them on behalf of Deer Run Subdivision or the Association and that in all matters the Board is acting for and on behalf of the Owners as their agent. The liability of any Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to his Percentage Interest. Every contract made by the Board or the Managing Agent on behalf of Deer Run Subdivision shall provide that the Board of Directors and the Managing Agent, as the case may be, are acting as agent for the Owners and shall have no personal liability thereunder, except in their capacity as Owners (if applicable) and then only to the extent of their Percentage Interest.

8.7 Additional Indemnity of Directors The Association shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Association, against the reasonable expenses, including attorney’s fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal thereof, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Association 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 of the Percentage Vote that such Director was not guilty of gross negligence or misconduct. In making such findings and notwithstanding the adjudication in any action, suit or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Association or statements or advice made by or prepared by the Managing Agent of Deer Run Subdivision, or any officer or employee thereof, or any accountant,
attorney or other person, firm or corporation employed by the Association to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meetings of the Board of Directors.

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

**ARTICLE IX**

**Officers and Their Duties**

9.1 **Enumeration of Offices** The officers of this Association shall be a president, who shall at all time be a member of the Board, and vice-president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

9.2 **Election of Officers** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members. Upon an affirmative vote of a majority of the Board, any officer may be removed either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

9.3 **Term** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

9.4 **Special Appointments** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

9.5 **Resignation and Removal** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.6 **Vacancies** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
9.7 **Multiple Offices** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

9.8 **Duties** The duties of the officers are as follows:

9.8.1 **President** The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. He shall have the power to appoint committees from among the Owners as he may deem necessary to assist in the affairs of the Corporation and to perform such other duties as the Board may from time to time prescribe.

9.8.2 **Vice-President** The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

9.8.3 **Secretary** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

9.8.4 **Treasurer** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

**ARTICLE X**

10.1 **Committees** The Association shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE XI**

11.1 **Books and Records** The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for
member of his family or of a guest, tenant or other occupant or visitor of such Owner, damage shall be caused to the Common Areas or to a Half-Lot or Limited Area owned by or reserved for the use of others, or if maintenance, repairs or replacements shall be required thereby which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association’s insurance with such policy having a Waiver of Subrogation clause. Maintenance, repairs and replacements to the Common Areas or the Half-Lots or Limited Areas shall be subject to the rules and regulations adopted from time to time by the Board.

To the extent that equipment, facilities and fixtures within any Half-Lot shall be connected to similar equipment, facilities or fixtures affecting or serving other Half-Lots or any Common Areas or Limited Areas, then the use thereof by the owner of such Half-Lot shall be subject to the rules and regulations adopted from time to time by the Board. The authorized representatives of the Association or Board of Directors or the Managing Agent for the Association, shall be entitled to reasonable access to any Half-Lot as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or Limited Area or any parts thereof, or any equipment, facilities or fixtures affecting or serving other Half-Lots or any Common Areas or Limited Areas.

ARTICLE XIII

13.1 Corporate Seal The Association shall have a seal in circular form having within its circumference the words: "Deer Run Homeowners Association, Inc."

ARTICLE XIV

Amendments

14.1 These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

14.2 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

Mortgages

15.1 Notices to Association Any Owner who places a first mortgage lien upon his Half-Lot or the Mortgagee shall notify the Secretary of the Association 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 the Declaration, these By-Laws or the Act shall be deemed effectively given if
By: ____________________________, Director

(Name Printed)

By: ____________________________, Director

THIS INSTRUMENT PREPARED BY:
Joe N. Van Valer, Attorney, VAN VALER LAW FIRM,
299 West Main Street, P.O. Box 7575,
Greenwood, Indiana 46142.
317/881-7575
mailed to such Mortgagee at the address shown in such record in the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by the Declaration, these By-Laws or the Act shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of the Declaration, these By-Laws, the Act, or proxy granted to such Mortgagee in connection with the mortgage.

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

15.2 Notice of Unpaid Assessments The Association shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Half-Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Annual Maintenance Fees or Special Assessments against the Half-Lot, which statement shall be binding upon the Association and the Owners, and any Mortgagee or grantee of the Half-Lot conveyed by subject to a lien for any unpaid assessments in excess of the amount set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Section 5.3 hereof.

ARTICLE XVI

Miscellaneous

16.1 The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

16.2 Should any of these By-Laws be found to conflict with any provisions of applicable Indiana law, the provisions of Indiana law shall control.

IN WITNESS WHEREOF, we, being all of the directors of Deer Run Homeowners Association, Inc. have hereunto set our hands this day of , 1997.

By: , Director

(Name Printed)