SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR VALLEY RIDGE AT HEARTLAND CROSSING, SECTION I

Dated: May 16, 2000

330299 JUN 27B

FIRST AMERICAN

06/27/00 03:00PM WANDA MARTIN MARION CTY RECORDER

Inst # 2000-0101559
## TABLE OF CONTENTS

**ARTICLE I - DEFINITIONS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Additional Land</td>
<td>2</td>
</tr>
<tr>
<td>1.2</td>
<td>Articles of Incorporation</td>
<td>2</td>
</tr>
<tr>
<td>1.3</td>
<td>Bylaws</td>
<td>2</td>
</tr>
<tr>
<td>1.4</td>
<td>Community Assessments</td>
<td>2</td>
</tr>
<tr>
<td>1.5</td>
<td>Community Association</td>
<td>3</td>
</tr>
<tr>
<td>1.6</td>
<td>Community Facilities</td>
<td>3</td>
</tr>
<tr>
<td>1.7</td>
<td>Control Transfer Date</td>
<td>3</td>
</tr>
<tr>
<td>1.8</td>
<td>Declarant</td>
<td>3</td>
</tr>
<tr>
<td>1.9</td>
<td>Eligible Mortgage Holder</td>
<td>3</td>
</tr>
<tr>
<td>1.10</td>
<td>Eligible Votes</td>
<td>3</td>
</tr>
<tr>
<td>1.11</td>
<td>Lot</td>
<td>3</td>
</tr>
<tr>
<td>1.12</td>
<td>Member</td>
<td>3</td>
</tr>
<tr>
<td>1.13</td>
<td>Mortgage</td>
<td>3</td>
</tr>
<tr>
<td>1.14</td>
<td>Owner</td>
<td>4</td>
</tr>
<tr>
<td>1.15</td>
<td>Plats and Plans</td>
<td>4</td>
</tr>
<tr>
<td>1.16</td>
<td>Quorum</td>
<td>4</td>
</tr>
</tbody>
</table>

**ARTICLE II - PROPERTY RIGHTS, BUILDING STANDARDS, AND COVENANTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Rules and Regulations</td>
<td>4</td>
</tr>
<tr>
<td>2.2</td>
<td>Use</td>
<td>4</td>
</tr>
<tr>
<td>2.3</td>
<td>Building Materials; Roof; Architectural Standards; Design Guidelines and Covenants</td>
<td>5</td>
</tr>
</tbody>
</table>

**ARTICLE III - MEMBERSHIP AND VOTING RIGHTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Membership</td>
<td>5</td>
</tr>
<tr>
<td>3.2</td>
<td>Classes of Membership</td>
<td>5</td>
</tr>
<tr>
<td>3.3</td>
<td>Board of Directors</td>
<td>6</td>
</tr>
<tr>
<td>3.4</td>
<td>Professional Management</td>
<td>6</td>
</tr>
<tr>
<td>3.5</td>
<td>Responsibilities of the Community Association</td>
<td>6</td>
</tr>
<tr>
<td>3.6</td>
<td>Control and Transfer of Control of Community Association</td>
<td>6</td>
</tr>
</tbody>
</table>

**ARTICLE IV - MAINTENANCE**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Maintenance</td>
<td>7</td>
</tr>
</tbody>
</table>

**ARTICLE V - INSURANCE**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Insurance</td>
<td>7</td>
</tr>
<tr>
<td>5.2</td>
<td>Disbursement of Proceeds</td>
<td>9</td>
</tr>
<tr>
<td>5.3</td>
<td>Damage and Destruction</td>
<td>10</td>
</tr>
</tbody>
</table>

3VR@HLC/COVb 051000 15:42 i
Section 5.4. Repair and Reconstruction ........................................... 10

ARTICLE VI - ANNEXATION OF ADDITIONAL PROPERTY .................. 11
Section 6.1. Annexation without Approval of Owners ...................... 11
Section 6.2. Acquisition of Additional Community Facilities ............. 11
Section 6.3. Amendment .......................................................... 11

ARTICLE VII - RIGHTS AND OBLIGATIONS OF THE COMMUNITY ASSOCIATION 12
Section 7.1. Community Facilities .............................................. 12
Section 7.2. Services ............................................................. 12
Section 7.3. Personal Property and Real Property for Common Use ...... 12
Section 7.4. Implied Rights ...................................................... 12
Section 7.5. Self-Help ............................................................. 12
Section 7.6. Right of Entry ....................................................... 12

ARTICLE VIII - COMMUNITY ASSESSMENTS ................................. 13
Section 8.1. Purpose of Community Assessment .............................. 13
Section 8.2. Creation of Community Assessments ........................... 13
Section 8.3. Computation of Assessments .................................... 13
Section 8.4. Special Assessments .............................................. 14
Section 8.5. Lien for Assessments ............................................. 15
Section 8.6. Effect of Nonpayment of Assessments: Remedies of the Community Association .............................................. 15
Section 8.7. Capital Budget and Contribution ................................ 16
Section 8.8. Subordination of the Lien to First Deeds of Trust and First Mortgages .............................................................. 16
Section 8.9. Date of Commencement of Annual Assessments ............... 16
Section 8.10. Assessments Due From Declarant ................................ 17

ARTICLE IX - MORTGAGEE RIGHTS ............................................. 17
Section 9.1. Notices of Action ................................................... 17

ARTICLE X - GENERAL PROVISIONS .......................................... 18
Section 10.1. Duration ............................................................ 18
Section 10.2. Amendment .......................................................... 18
Section 10.3. Indemnification .................................................... 20
Section 10.4. Gender and Grammar ............................................. 20
Section 10.5. Severability ......................................................... 20
Section 10.6. Captions ............................................................. 20
Section 10.7. Perpetuities ........................................................ 20
ARTICLE XI - ENFORCEMENT ........................................ 21
Section 11.1. In General ........................................ 21
Section 11.2. Government Enforcement ....................... 21
Section 11.3. Delay or Failure to Enforce .................... 21

ARTICLE XII - PRIVATE AMENITIES AND SERVICES ............ 21
Section 12.1. Private Amenities and Services ................ 21

ARTICLE XIII - LIMITATION ON DECLARANT'S LIABILITY ....... 22
Section 13.1. Limitation on Declarant's Liability .............. 22

EXHIBITS:

"A" - Description of Real Estate
"B" - Description of Additional Real Estate
"C" - Building Standards and Association Fees
SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR VALLEY RIDGE AT HEARTLAND CROSSING, SECTION I

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR VALLEY RIDGE AT HEARTLAND CROSSING, SECTION I (the "Declaration"), is made this 16th day of March, 2000, by CEDAR RUN LIMITED, INC., an Indiana corporation, (the "Declarant"), and,

WITNESSES:

WHEREAS, C. P. Morgan Communities, L.P., an Indiana Limited Partnership ("C. P. Morgan") is the owner of real property described in Exhibit "A" attached hereto and made a part hereof, which real property shall be subdivided and known as Valley Ridge at Heartland Crossing, Section I and will be more particularly described on the plat ("Plat") to be recorded in the Office of the Recorder of Marion County, Indiana, under Instrument No. 2000-0101557, together with any additions thereto as hereinafter provided, and are referred to herein collectively as the "Real Estate" or as the "Community"; and

WHEREAS, Declarant has heretofore caused to be recorded a Declaration of Covenants, Conditions, Easements and Restrictions of Heartland Crossing dated December 4, 1998 and recorded on December 17, 1998 under Instrument No. 1998-0223236 in the office of the Recorder of Marion County, Indiana (the "Master Declaration"), pursuant to which mutual and beneficial covenants, conditions and charges were imposed upon the Community as more particularly described therein;

The Master Declaration encumbered additional land consisting of 44.96 acres known as Valley Ridge at Heartland Crossing, Section I with the Master Declaration, as amended, dated May 16, 2000 and recorded on June 3, 2000 under Instrument No. 2000-0101558 in the Office of the Recorder of Marion County, Indiana; and

WHEREAS, pursuant to the Master Declaration, Declarant contemplated that this Supplemental Declaration would be recorded to annex the Real Estate as provided for in the Master Declaration, to set forth specific and particular restrictions affecting the Community which would be in addition to those imposed by the Master Declaration, for the purposes, among other things, of specifying the services to be provided for Owners in the Community by the Community Association (as herein defined), and the Community Assessments for such services which are in addition to the assessments levied and collected by the Association as defined in the Master Declaration and are pursuant to the Master Declaration for Common Expenses of the Association, and to provide for such other matters as may be peculiar to the Community in relation to other properties now or hereafter subject to the Master Declaration; and,
WHEREAS, Declarant sold and conveyed the Real Estate to C. P. Morgan and before doing so desires to impose upon and to subject all real estate within the platted areas of the Community to mutual and beneficial covenants, conditions, restrictions, and charges which shall be in addition to those imposed by the Master Declaration, under a general plan or scheme of improvement for the benefit and complement of the Lots and lands in the Community and of the future owners thereof, and

WHEREAS, the Declarant has formed (or intends to form) the Community Association (as defined herein) for the purposes of carrying out the powers and duties aforesaid.

NOW, THEREFORE, Declarant and C. P. Morgan, pursuant to the Master Declaration, hereby declares that all of the platted Lots and lands located within the Community as they become platted are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the Master Declaration and this Declaration, all of which are declared and agreed to be in furtherance of a plan for the improvement and sale of said Lots and lands in the Community, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Community as a whole and of each of said Lots situated therein. This Declaration shall run with the land and shall be binding upon 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 successors in title to the Real Estate.

ARTICLE I
DEFINITIONS

Section 1.1 Additional Land. Additional Land shall mean and refer to additional real property now owned and described in Exhibit “B” attached hereto or which may in the future be owned by Declarant subject to Declarant’s reserved unilateral right to annex the same within and subject to this Declaration as provided elsewhere herein.

Section 1.2 Articles of Incorporation. Articles of Incorporation means and refers to the Articles of Incorporation of the Community Association, as filed with the Secretary of State of the State of Indiana.

Section 1.3 Bylaws. Bylaws shall refer to the Bylaws of the Community Association, as the same may exist and be in effect from time to time.

Section 1.4 Community Assessments. Community Assessments shall mean assessments for such expenses as may be provided for herein or in the Master Declaration which shall be used for the purpose of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Lots in the Community and for the purpose of maintaining the properties or providing services for the Owners within the Community, all as may be specifically authorized from time to time by the Board of Directors. The Community Assessments shall be levied.
equally against Owners of Lots in a Community for such purposes that are authorized by this Declaration or by the Board of Directors from time to time, provided that in the event assessments are levied for exterior maintenance of dwellings, or insurance on dwellings, or replacement reserves which pertain to particular dwellings within a given Community such assessments (that are for the use and benefit of particular Lots) shall be levied upon a pro rata basis among the benefited Owners.

Section 1.5. Community Association. Community Association shall mean and refer to Valley Ridge at Heartland Crossing Community Association, Inc., or an organization of similar name, formed, or to be formed, as an Indiana nonprofit corporation, its successors and assigns.

Section 1.6. Community Facilities. Community Facilities shall refer to facilities such as a clubhouse, swimming pool, tennis court(s) and related facilities and equipment, if any, to be located within and to be part of the Community only for the use of Owners of Lots in the Community, as determined and provided by Declarant and all real and personal property now or hereafter owned by or subject to an easement in favor of the Community Association only for the use of Owners of Lots in the Community.

Section 1.7. Control Transfer Date. Control Transfer Date shall be the date on which the Declarant is no longer a Class B Member of the Community Association.

Section 1.8. Declarant. Declarant means Cedar Run Limited, Inc., an Indiana corporation, or any other person, firm, corporation or partnership which succeeds to the interest of Cedar Run Limited, Inc., as developer of the Community, as a matter of law or as evidenced by a written instrument of transfer to such effect.

Section 1.9. Eligible Mortgage Holder. Eligible Mortgage Holder shall mean a holder, insurer, or guarantor of a first mortgage on a Lot who has requested notice of certain matters from the Community Association as herein and in the Bylaws provided.

Section 1.10. Eligible Votes. Eligible Votes shall mean those votes available to be cast on the issue at hand. A vote which is for any reason suspended is not available to be cast.

Section 1.11. Lot. Lot shall mean a portion of the Community other than the Community Facilities and Common Area (as defined in the Master Declaration) intended for any type of independent ownership and use as may be set out in this Declaration and as shall be shown on the Plats and Plans filed with this Declaration and amendments thereto. Where the context indicates or requires, the term Lot includes any structure on the Lot.

Section 1.12. Member. Member shall mean and refer to a person or entity entitled to membership in the Community Association, as provided herein.

Section 1.13. Mortgage. Mortgage shall mean any mortgage, deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.
Section 1.14  Owner. Owner shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Community, but excluding any party holding the fee simple title merely as security for the performance of an obligation. Owner shall include the Declarant and C. P. Morgan (but pursuant to Section 8.10 no assessments are payable by Declarant or C. P. Morgan as an Owner except as specifically described therein).

Section 1.15  Plats and Plans. Plats and Plans shall collectively mean those plats or plans of all or any portion of the Community making reference hereto which have been or hereafter may be recorded in the Office of the Recorder of Marion County, Indiana, as the same may be amended or supplemented by replats or otherwise.

Section 1.16  Quorum. Quorum shall mean the percent of Eligible Votes entitled to be cast on a matter at any meeting of Members as specified in the Bylaws.

Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned thereto in the Master Declaration unless the context otherwise requires.

ARTICLE II

PROPERTY RIGHTS, BUILDING STANDARDS AND COVENANTS

Section 2.1  Rules and Regulations. The Board of Directors of the Community Association may establish reasonable rules and regulations concerning the use of the Community Facilities and individual Lots in the Community, as appropriate. Copies of such regulations and amendments thereto shall be furnished by the Community Association to all Owners prior to a rule's effective date. Such regulations shall be binding upon the Owners, their families, tenants, guests, invitees, and agents until and unless such regulation, rule, or requirement shall be specifically overruled, canceled, or modified by the Board of Directors of the Community Association or the Community Association in a regular or special meeting by the vote of two-thirds (2/3) of all Eligible Votes and with the written approval of the Class B Member prior to the Control Transfer Date. The Board shall have the authority to impose reasonable monetary fines and other sanctions. Monetary fines may be collected by lien and foreclosure, as provided in Article VIII. In addition, the Community Association, through the Board, may, by contract or other agreement, enforce county ordinances or permit Marion County to enforce ordinances affecting the Development for the benefit of the Community Association and its Members.

Section 2.2  Use. Without the prior written consent of the Board of Directors, nothing shall be done or kept on any Lot or any Community Facilities or any part thereof to increase the rate of insurance on the Community or any part thereof over what the Community Association, but for such activity, would pay. Noxious, destructive, or offensive activities, or any activity constituting an unreasonable source of annoyance, shall not be conducted on any Lot or any Community Facilities or any part thereof, and the Community Association shall have standing to initiate legal proceedings to abate such activity. Each Owner shall refrain from any act or use of his or her Lot which could reasonably cause embarrassment, discomfort, or annoyance to other Owners. The Board of Directors
shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision.

Section 2.3. Building Materials, Roof, Architectural Standards, and Design Guidelines. The residence constructed on any Lot must meet the requirements of the Master Declaration and this Declaration and shall be subject to the standards as outlined in Exhibit "C" attached hereto and made a part hereof.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 3.1. Membership. Every Owner of a Lot shall be a Member of the Community Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 3.2. Classes of Membership. The Community Association shall have two (2) Classes of Members: Class A Members and the Class B Member.

(a) Class A. Class A Members shall be all Owners with the exception of the Declarant. Except as otherwise provided herein or in the Articles of Incorporation, each Owner shall be entitled to one vote for each Lot owned. When more than one person is an Owner of a Lot, all such persons shall be Members. The vote for such Lot shall be exercised by the person whom the collective Members with respect to such Lot may designate. If a Membership stands of record in the names of at least two (2) persons or entities, if one person or entity votes, the vote binds all persons. In no event shall such vote be split into fractional votes and in no event shall more than one vote be cast with respect to any Lot. Each vote cast with respect to a Lot shall presumptively be valid, but if such vote is questioned by any Member holding any interest in such Lot and if all such Members holding an interest in the Lot are not in agreement as to the validity of the vote for such Lot which is questioned, then such vote shall not be counted. In addition, the Community Association may reject a vote, consent, waiver or proxy appointment if there is a reasonable basis to doubt the validity of a signature or the signatory's authority.

(b) Class B. The Declarant shall be the sole Class B Member. The Class B Member shall be entitled to 1,000 votes for so long as it shall own any Lot or other real estate in the Community, or until the Declarant's Class B membership is converted to a Class A membership if that occurs earlier. The Class B membership shall cease and be converted to a Class A membership on the happening of the first to occur of the following events:

(i) When the Class B Member owns less than ten percent (10%) of the Lots in the Community,
(ii) When the Class B Member voluntarily surrenders its Class B membership, or

(iii) Twelve (12) years after the first Lot is conveyed to an Owner in any portion of the Community.

Section 3.3. Board of Directors. Subsequent to the Control Transfer Date, the Owners shall elect a Board of Directors (the "Board of Directors" or the "Board") of the Community Association as prescribed by the By-Laws. The Board of Directors shall manage the affairs of the Community Association. The initial Board of Directors shall be appointed by Declarant and shall manage the affairs of the Community Association until the Control Transfer Date.

Section 3.4. Professional Management. No contract or agreement for professional management of the Community Association by Declarant nor any other contract between the Community Association and Declarant shall be for a term in excess of three (3) years. Any such agreement or contract shall provide for termination by either party with or without cause and without any termination fee by written notice of ninety (90) days or less.

Section 3.5. Responsibilities of the Community Association. The Community 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 Community Facilities, the determination of Community Assessments, the collection of Community Assessments, and the granting of any approvals whenever and to the extent called for by this Declaration for the common benefit of all such Owners. The Community Association shall also bill for and collect the amount for Common Expenses and Special Assessments pursuant to the Master Declaration, and upon receipt, deliver said amount to the Association, as provided for in the Master Declaration. The Community Association shall also have the right, but not the obligation, to act on behalf of any Owner or Owners in seeking enforcement of the terms, covenants, conditions and restrictions contained in this Declaration. Neither the Community Association nor its officers or authorized agents shall have any liability whatsoever to any Owner for any action taken under color of 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. The Community Association shall procure and maintain insurance in accordance with the provisions of Article V hereof. The Community Association may contract for such services as management, snow removal, security control, trash removal, and such other services as the Community Association deems necessary or advisable.

Section 3.6. Control and Transfer of Control of Community Association. Until the Control Transfer Date, the Board of Directors of the Community Association shall consist of persons appointed by Declarant.
ARTICLE IV

MAINTENANCE

Section 4.1. Maintenance

(a) The Community Association shall maintain and keep in good repair the Community Facilities. The maintenance of the Community Facilities shall be deemed to include, but not be limited to, maintenance, repair, and replacement, subject to the insurance and casualty loss provisions contained herein, at the Community Association's sole cost and expense as Community Assessments, of all trees, fences, shrubs, grass, Community Facilities, walks, the accent or special effect lighting system and other improvements situated upon the Community Facilities.

(b) In the event that the Board of Directors of the Community Association determines that (i) any Owner has failed or refused to discharge properly his or her obligations with regard to the maintenance, repair, or replacement of items for which he or she is responsible hereunder or otherwise; or (ii) that the need for maintenance, repair, or replacement, which is the responsibility of the Community Association hereunder, is caused through the willful or negligent act of an Owner, his or her family, guests, lessees, or invitees, and is not covered or paid for by insurance, in whole or in part, then, in that event, the Community Association, except in the event of an emergency situation, shall give the Owner written notice of the Community Association's intent to provide such necessary maintenance, repair, or replacement, at the Owner's sole cost and expense; the notice shall set forth with reasonable particularity the maintenance, repairs, or replacement required and shall advise the Owner to complete the same within three (3) days from the date of such notice; provided, however, that if the same is not capable of completion within the three (3) day period, such notice shall advise the Owner to immediately commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Community Association may provide any such maintenance, repair, or replacement at Owner's sole cost and expense, and the cost shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot.

ARTICLE V

INSURANCE

Section 5.1. Insurance

(a) The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Community Facilities against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to
cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) The Board shall also obtain a public liability policy covering the Community Facilities, the Community Association and its Members for all damage or injury caused by the negligence of the Community Association or any of its Members or agents. The public liability policy shall have at least a Five Hundred Thousand Dollar ($500,000) single person limit as respects bodily injury and property damage, a One Million Dollar ($1,000,000) limit per occurrence, and a Two Hundred Fifty Thousand Dollar ($250,000) minimum property damage limit. Premiums for all insurance on the Community Facilities shall be a cost paid by Community Assessments. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

(c) All such insurance coverage obtained by the Board of Directors shall be written in the name of the Community Association as Trustee for the respective benefited parties, as further identified below. Such insurance shall be governed by the provisions hereinafter set forth:

(i) All policies shall be written with a company licensed to do business in Indiana and holding a rating of XI or better in the Financial Category as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(ii) All policies on the Community Facilities shall be for the benefit of the Lot Owners and their mortgagees as their interests may appear.

(iii) Exclusive authority to adjust losses under policies in force on the Community Facilities obtained by the Community Association shall be vested in the Board of Directors, provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(iv) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(v) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Appropriate Indiana County area.
The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

1. a waiver of subrogation by the insurer as to any claims against the Community Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

2. a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

3. that no policy may be canceled, invalidated, or suspended on account of any one or more individual Owners;

4. that no policy may be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Community Association or its duly authorized manager without prior demand in writing delivered to the Community Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Community Association, its manager, any Owner, or mortgagee;

5. that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

6. that no policy may be canceled or substantially modified without at least thirty (30) days' prior written notice to the Community Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a Community expense, worker’s compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Community Association’s funds. The amount of fidelity coverage shall be determined in the Board’s best business judgment, but may not be less than three (3) months’ assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Community Association.

Section 5.2. Disbursement of Proceeds. Proceeds of insurance policies written in the name of the Community Association shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or
reconstruction to the Community or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Community Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of a Lot and may be enforced by such mortgagee.

(b) If it is determined that the damage or destruction to the Community Facilities for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 5.2(a).

Section 5.3 Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Community Facilities covered by insurance written in the name of the Community Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed portions of the Community Facilities. Repair or reconstruction, as used in this paragraph means repairing or restoring the Community Facilities to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Community Facilities shall be repaired or reconstructed unless the Class B Member and at least seventy-five (75%) per cent of the Eligible Votes shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Community Association within said period, then the Period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Community Facilities damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Community Association in the manner described above that the damage or destruction of the Community Facilities shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the damaged portion of the Community Facilities shall be restored to its natural state and maintained as an undeveloped portion of the Community Facilities by the Community Association in a neat and attractive condition.

Section 5.4 Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall use general funds or seek a special assessment as permitted in Section 8.4.
ARTICLE VI

ANNEXATION OF ADDITIONAL PROPERTY

Section 6.1. Annexation without Approval of Owners.

(a) As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time, to subject the provisions of this Declaration and the jurisdiction of the Community Association to all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof, and any other real estate adjacent thereto or to the Community as the same exists from time to time whether in fee simple or leasehold, by filing in the Office of the Recorder of Marion County, Indiana, an amendment to this Declaration annexing such property. Such amendment to this Declaration shall not require the vote or approval of any Owners. Any such annexation shall be effective upon the filing for record of such amendment unless otherwise provided therein.

(b) Declarant shall have the unilateral right to transfer to any other person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of said real property to be so annexed and that such transfer is memorialized in a written, recorded instrument.

(c) The rights reserved unto Declarant to subject Additional Land to the Declaration shall not be implied or construed so as to impose any obligation upon Declarant to subject any of such Additional Land to this Declaration or to the jurisdiction of the Community Association nor any obligation, if subjected, to build housing of the same type, design, or materials. If such Additional Land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose covenants and restrictions similar to those contained herein upon such Additional Land, nor shall such rights in any manner limit or restrict the use to which such Additional Land may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

Section 6.2. Acquisition of Additional Community Facilities. Declarant may convey to the Community Association additional real estate, improved or unimproved, which upon conveyance or dedication shall be accepted by the Community Association and thereafter shall be maintained by the Community Association as an expense for the benefit of all Owners.

Section 6.3. Amendment. This Article shall not be amended without the written consent of Declarant, so long as the Declarant owns any property described in Exhibit "A" or Exhibit "B" attached hereto.
ARTICLE VII

RIGHTS AND OBLIGATIONS OF THE COMMUNITY ASSOCIATION

Section 7.1. Community Facilities. The Community Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Community Facilities and all improvements thereon (including furnishings and equipment related thereto, if any), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions of this Declaration and the Bylaws.

Section 7.2. Services. The Community Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Community Association shall determine to be necessary or desirable for the proper operation of the Community, whether such personnel are furnished or employed directly by the Community Association or by any person or entity with whom or with which it contracts. The Community Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Community or the enforcement of this Declaration.

Section 7.3. Personal Property and Real Property for Common Use. The Community Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Community Association, shall accept any real or personal property, leasehold, or other property interests located within the properties described in Exhibit "A" or Exhibit "B" attached hereto or hereafter annexed into the Community and conveyed to it by the Declarant.

Section 7.4. Implied Rights. The Community Association may exercise any other right or privilege given to it expressly by this Declaration, the Articles of Incorporation or the Bylaws, and every other right or privilege reasonably to be implied for the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 7.5. Self-Help. In addition to any other remedies provided for herein, the Community Association or its duly authorized agent shall have the power to enter upon a Lot or any portion of the Community Facilities to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, or the use restrictions. Unless an emergency situation exists, the Board shall give the violating Lot Owner five (5) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees and paraprofessional fees actually incurred shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

Section 7.6. Right of Entry. The Community Association shall have the right, in addition to and not in limitation of all the rights it may have, to enter into structures and upon Lots for emergency, security, or safety purposes, which right may be exercised by the Community Association's Board of Directors, officers, agents, employees, managers, and all police officers, firefighters, ambulance
personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner or occupant of the Lot.

ARTICLE VIII

COMMUNITY ASSESSMENTS

Section 8.1. Purpose of Community Assessment. The Community Assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

Section 8.2. Creation of Community Assessments.

(a) Community Assessments, together with interest, costs, and reasonable attorney's fees and paraprofessional fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessments arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Community Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, monthly, quarterly, semi-annually or annually and acceleration of the annual assessment for delinquents. Unless the Board otherwise provides, all assessments shall be paid quarterly. In addition to collection of Community Assessments, the Board shall collect the assessments set forth in the Master Declaration in the amounts and at the times set forth by the Association's Board of Directors and the Association, and upon receipt shall immediately deliver such amounts to the Association. The Association may, at any time and from time to time, invoice the Owner directly for the assessments due under the Master Declaration, and, in such event, the Owners shall pay such amounts directly to the Association, and not to the Community Association.

Section 8.3. Computation of Assessments.

(a) It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the Membership, to prepare a budget covering the estimated costs of operating the Community Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. Each Owner covenants and agrees to pay to the Community Association his or her share of Community Assessments. The Board shall cause a copy
of the budget, the amount of the assessments to be levied against each Lot for the following year and a description of the method used in determining the assessments to be delivered to each Owner at least fifteen (15) days prior to the meeting. Each segment of the budget including, without limitation, the Community Assessments, shall become effective unless disapproved at a meeting by a vote of at least two-thirds (2/3) of a Quorum of the Members.

(b) Notwithstanding the foregoing, however, in the event that (i) the proposed budget or Community Assessments are disapproved in accordance with 8.3 (a) or (ii) the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget (or such portion thereof or assessments as shall have been disapproved in accordance with the foregoing) shall have been determined as provided herein, the budget (or applicable portion thereof or assessments) in effect for the then current year shall continue for the succeeding year.

(c) In the event that the amounts actually expended by the Community Association for Community Assessments in any fiscal year exceed the amounts budgeted and assessed for Community Assessments 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, except that so long as the Declarant controls the Community Association, Declarant may, but shall be under no obligation, to fund such deficit; provided, however, that Declarant shall be reimbursed by the Community Association for any deficits so funded, together with interest at ten percent (10%) per annum until so reimbursed, from available surpluses in later years or through Special Assessments. Thereafter, 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 Community Association. In the event that the amounts budgeted and assessed for Community Assessments in any fiscal year exceed the amount actually expended by the Community Association for Community Assessments for that fiscal year, an allocable share of such excess (based on the amounts originally levied as assessments) shall be a credit against the assessment due from each Owner for the next fiscal year(s); provided, that Declarant shall first be reimbursed for deficits previously paid, with interest, as required above before such excess shall be so credited to Owners.

(d) During the first year following the date of recordation of this Declaration, the monthly Community Association Fee shall be the amount listed on Exhibit “C” attached. This monthly fee shall be subject to annual review and adjustment.

Section 8.4 Special Assessments. In addition to the other assessments authorized herein, the Community Association may levy Special Assessments in any year. So long as the total amount of Special Assessments allocable to each Lot does not exceed Twenty Percent (20%) of the Monthly Community Assessment in any one fiscal year, the Board may impose the Special Assessment. Any Special Assessment which would cause the amount of Special Assessments allocable to any Lot to exceed this limitation shall be effective only if approved by two-thirds (2/3) of a Quorum of the
Members. Special Assessments shall be paid as determined by the Board, and the Board may permit Special Assessments to be paid in installments extending beyond the fiscal year in which the Special Assessment is imposed.

Section 8.5. Lien for Assessments

(a) All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs, and reasonable attorney's fees and paraprofessional fees actually incurred, as provided herein, shall be secured by a lien on such Lot in favor of the Community Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (i) liens of ad valorem taxes; or (ii) liens for all sums unpaid on a first Mortgage or on any Mortgage to Declarant duly recorded in the land records of the Appropriate Indiana County and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

(b) All other persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 8.6. Effect of Nonpayment of Assessments: Remedies of the Community Association

(a) Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine. The Community Association shall cause a notice of delinquency to be given to any Member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien, as herein provided, shall attach and, in addition, the lien shall include the late charge, interest, not to exceed the maximum legal rate, on the principal amount due, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees and paraprofessional fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days, the Community Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Community Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Community Association and shall be for the benefit of all other Owners. The Community Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the Lot. No Owner may waive or
otherwise except liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot.

(b) All payments shall be applied first to costs and attorneys' and paraprofessional fees, then to late charges, then to interest, then to delinquent assessments, then to any unpaid installments of the annual assessment or special assessments which are not the subject matter of suit in the order of their coming due, and then to any unpaid installments of the annual assessment or special assessments which are the subject matter of suit in the order of their coming due.

Section 8.7 Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost for items of a capital nature within the Community. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Community Association as shown on the capital budget, with respect to both amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and Community Assessments, as provided in Section 8.3. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

Section 8.8 Subordination of the Lien to First Deeds of Trust and First Mortgages. The lien of the assessments, including interest, late charges, costs (including attorneys' fees and paraprofessional fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer (subject to the right of the Community Association to payment out of available foreclosure sale proceeds). No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the mortgage of a first Mortgage of record or other purchaser of a Lot obtains title, his or her successors and assigns shall not be liable for the share of the Community Assessments by the Community Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of Community Assessments shall be deemed to be Community Assessments collectible from all the Lots, including such acquirer, his or her successors and assigns.

Section 8.9 Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to Lots generally in June 2000, and as to a particular Lot on the first day of the month following the conveyance of such Lot by the Declarant or C. P. Morgan to an Owner and shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year and billed to the Owner in the Closing Statement between C. P. Morgan and the Owner. C. P. Morgan shall pay the assessment collected from the Owner to the Association. The date any Lot becomes subject to assessment hereunder shall be the date on which such Lot is transferred by C. P. Morgan to an Owner; provided, however, that Declarant may, in its sole and absolute discretion delay the starting date for assessments as long as Declarant shall deem
appropriate in its sole and absolute discretion but assessments shall in all events be payable commencing on the first day of the first month following the date the Lot is occupied for the residential purposes or is suitable for such occupancy as evidenced, for example, by the appropriate official of Marion County, Indiana or an architect issuing a certificate of occupancy or its equivalent stating that the residential structure on such Lot is substantially complete and available for occupancy.

Section 8.10  Assessments Due From Declarant

(a)  Declarant and C. P. Morgan covenant and agree to pay the full amount of the annual assessment for each Lot occupied for residential purposes that it owns, notwithstanding anything contained herein to the contrary, the Declarant and C. P. Morgan shall not be required to pay any assessments for any Lots not occupied for residential purposes (other than completed vacant apartment units held for rental in the ordinary course of business) that it owns, including but not limited to model homes.

(b)  Notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called in-kind contribution). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If the Declarant and the Community Association agree as to the value of any contribution, the value shall be as agreed. If the Community Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Community Association with a detailed explanation of the service performed and material furnished, and the Community Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Community Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

ARTICLE IX

MORTGAGEE RIGHTS

Section 9.1  Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides written request to the Community Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number), (therefore becoming an Eligible Mortgage Holder), will, upon payment of the reasonable expense of the Community Association associated therewith, be entitled to timely written notice of:

(a)  any proposed termination of the Community Association;
(b) condemnation, damage or destruction to the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Mortgage Holder;

(c) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Mortgage Holder where such delinquency has continued for a period of sixty (60) days;

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

(e) any proposed action which would require the consent of Eligible Mortgage Holders.

ARTICLE X

GENERAL PROVISIONS

Section 10.1. Duration. The provisions of this Declaration shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law; provided, however, so long as Indiana law limits the period during which covenants restricting lands to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, and such provisions may be renewed or extended, in whole or in part, beyond the initial period permitted by such law, for successive periods not to exceed the period permitted by such law, provided such renewal or extension is approved by at least two thirds (2/3) of all Eligible Votes. Further, no such renewal or extension shall be effective unless there is filed for record in the Office of the Recorder of Marion County, Indiana, on or before the effective date thereof an instrument executed by the President and Secretary of the Community Association which shall state the terms of such renewal or extension and which shall contain a certification by such Secretary that such extension and renewal was duly approved by the Owners. Every purchaser or grantee of any interest in any real property subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that such provisions of this Declaration may be extended and renewed as provided in this Section.

Section 10.2. Amendment.

(a) This Declaration may be amended unilaterally at any time and from time to time by Declarant (i) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (ii) if such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal Housing Administration, the Federal National Mortgage Community Association or Federal Home Loan Mortgage Corporation, to
enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (iv) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent thereto in writing. Further, so long as Declarant owns any property in the Community or capable of being annexed thereto, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect, in the opinion of Declarant, the substantive rights of any Lot Owner or mortgagee hereunder.

(b) In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the Eligible Votes and the consent of the Declarant, so long as Declarant has an unexpired option to subject property to this Declaration. Amendments to this Declaration shall become effective upon recordation in the Marion County, Indiana records, unless a later effective date is specified therein.

(c) Declarant hereby reserves the right to make such amendments to this Declaration as may be deemed necessary or appropriate by Declarant without the approval of any other person or entity, in order to bring this Declaration into compliance with the requirements of any public agency having jurisdiction thereof or of any agency guaranteeing, insuring, or approving Mortgages, so long as Declarant owns any Lots within the Development or to enable reasonable development of and construction on the 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 in the reasonable opinion of the Declarant, the benefits of this Declaration to any Owner or substantially increases the obligations imposed by this Declaration on any Owner. Declarant further reserves the right to make such amendments to this Declaration as may be deemed necessary or appropriate by Declarant without the approval of any other person or entity, which amendment shall be fully effective in accordance with its terms:

(i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Declaration; or

(ii) to insert such provisions clarifying matters or questions arising under this Declaration as are necessary or desirable and are not contrary to or inconsistent with this Declaration as theretofore in effect; or

(iii) to amend or modify this Declaration in any manner which in the reasonable opinion of the Declarant does not adversely affect in any material respect the rights of any Mortgagee or Owner, nor which substantially impairs the benefits
of this Declaration to any Owner or substantially increases the obligations imposed by this Declaration on any Owner.

Section 10.3. Indemnification. The Community Association shall indemnify every officer and director against any and all expenses, including attorney's fees and paraprofessional fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Community Association (except to the extent that such officers or directors may also be Members of the Community Association), and the Community Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Community Association may, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 10.4. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 10.5. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable. If any of the provisions hereof shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or "running" quality of any other one of the provisions hereof.

Section 10.6. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

Section 10.7. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now-living descendants of Elizabeth, Queen of England.
ARTICLE XI

ENFORCEMENT

Section 11.1  In General. Any party to whose benefit the restrictions herein contained inure, including Declarant and the Community Association, may proceed at law or in equity to prevent the occurrence or continuation of any violation of this Declaration at the sole cost and expense of the party violating this Declaration (which cost and expense shall become a lien on the violating Owner's Lot subject to foreclosure in the manner provided in Article VIII), but neither Declarant nor Community Association shall be liable for damages of any kind to any person for failing either to abide by, enforce or carry out any provision of this Declaration.

Section 11.2  Government Enforcement. The Metropolitan Development Commission of Marion County, Indiana, its successors and assigns, shall have no right, power, or authority, to enforce any covenants, commitments, restrictions, or other limitations contained herein other than those covenants, commitments, restrictions, or limitations that expressly run in favor of the Metropolitan Development Commission of Marion County, Indiana.

Section 11.3  Delay or Failure to Enforce. No delay or failure on the part of any aggrieved party to invoke any available remedy with respect to a violation of any one or more of the provisions of this Declaration shall be held to be a waiver by that party (or an estoppel of that party to assert) any right available to him upon the occurrence, recurrence or continuation of such violation or violations of this Declaration.

ARTICLE XII

PRIVATE AMENITIES AND SERVICES

Section 12.1  Private Amenities and Services. The Community Facilities shall be owned and maintained by the Community Association so long as this Declaration remains in force. In the event of any termination of this Declaration and/or liquidation, dissolution or winding up of the affairs of the Community Association, the Community Association shall, after paying or making provision for the payment of all the liabilities of the Community Association, distribute all the assets of the Community Association exclusively for the purposes of the Community Association in such manner, or to such organization or organizations as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed by the Judge of the Superior Court of Marion County, Indiana, exclusively for such purposes or to such organization or organizations, as such Court shall determine, which are organized and operated exclusively for such purpose.
ARTICLE XIII

LIMITATION ON DECLARANT'S LIABILITY

Section 13.1. Limitation on Declarant’s Liability. Notwithstanding anything to the contrary herein, it is expressly agreed, and each Owner, by accepting title to a Lot and becoming an Owner acknowledges and agrees that neither Declarant (including without limitation any assignee of the interest of Declarant hereunder) nor any director, officer or shareholder of Declarant (or any partner, officer, director or shareholder in any such assignee) shall have any personal liability to the Community Association, or any Owner, Member or other Person, arising under, in connection with, or resulting from (including without limitation resulting from action or failure to act with respect to) this Declaration or the Community Association. If any judgment is ever levied against Declarant (or its assignee), the same is hereby agreed to be limited to the extent of Declarant’s (or such assignee’s) interest in the Community; and, in the event of a judgment no execution or other action shall be sought or brought thereon against any other assets, nor be a lien upon any other assets of Declarant (or its assignee).
IN WITNESS WHEREOF, the undersigned Declarant and C. P. Morgan have executed this Declaration as of the date first above-written.

Declarant
CEDAR RUN LIMITED, INC.
an Indiana corporation

By: Timmy J. Shrou, President

STATE OF INDIANA )
COUNTY OF MARION )

Before me, a Notary Public in and for said County and State, personally appeared Timmy J. Shrou, President of Cedar Run Limited, Inc., who, acting for and on behalf of said corporation, acknowledged the execution of the foregoing Supplemental Declaration of Covenants, Conditions, Easements, and Restrictions for Valley Ridge at Heartland Crossing, Section I, and who, having been duly sworn, stated that any representations therein contained, to the best of his knowledge and belief, are true.

WITNESS my hand and Notarial Seal this 16 day of May, 2000.

Signature

Printed Notary Public

My Commission Expires: 
County of Residence: 

APPROVED THIS 27TH DAY OF JUNE 2000

DECATUR TOWNSHIP ASSESSOR DRAFTSMAN
C. P. MORGAN COMMUNITIES, L.P.

an Indiana Limited Partnership

By: 

Mark W. Boyce, Vice President

STATE OF INDIANA )
COUNTY OF ) SS:

Before me, a Notary Public in and for said County and State, personally appeared Mark W. Boyce, Vice President of C. P. Morgan Communities, L.P., who, acting for and on behalf of said C. P. Morgan Communities, L.P., acknowledged the execution of the foregoing Supplemental Declaration of Covenants, Conditions, Easements, and Restrictions for Valley Ridge at Heartland Crossing, Section I, and who, having been duly sworn, stated that any representations therein contained, to the best of his knowledge and belief, are true.

WITNESS my hand and Notarial Seal this __th day of __, 2000.

Signature

Printed

Notary Public

My Commission Expires: 6-17-2001

County of Residence: Marion

This Instrument was prepared by William T. Rees, Attorney at Law, 8355 Rockville Road, Indianapolis, IN 46234.
Land Description: Valley Ridge at Heartland Crossing Section 1

A part of the Southwest Quarter and the Southeast Quarter of Section 21, Township 14 North, Range 2 East of the Second Principal Meridian in Decatur Township, Marion County, Indiana, being described as follows:

Commencing at the southwest corner of said Southwest Quarter; thence North 00 degrees 17 minutes 51 seconds East (basis of bearings: Indiana State Plane Coordinate System - East Zone) along the west line thereof a distance of 1,679.35 feet to the southwest corner of Heartland Boulevard as described in Grant of Right of Way recorded as Instrument No. 1997-0079923, Office of the Marion County Recorder; thence continuing North 00 degrees 17 minutes 51 seconds East along the west line of said Southwest Quarter a distance of 116.71 feet to the northwest corner of said Heartland Boulevard, said corner being on a non-tangent curve to the left having a radius of 1,460.00 feet, the radius point of which bears North 20 degrees 12 minutes 47 seconds East; thence along the north line of said Heartland Boulevard the following five courses; easterly along said curve an arc distance of 152.73 feet to a point bearing South 14 degrees 13 minutes 10 seconds West from said radius point; thence South 75 degrees 46 minutes 50 seconds East a distance of 284.55 feet; thence South 82 degrees 44 minutes 17 seconds East a distance of 112.16 feet to the point of curvature of a curve to the left having a radius of 25.00 feet, the radius point of which bears North 07 degrees 15 minutes 43 seconds East; thence northeasterly along said curve an arc distance of 33.39 feet to a non-tangent line; thence South 67 degrees 27 minutes 12 seconds East a distance of 50.03 feet to the Point of Beginning (said point also being on the south line of The Colony at Heartland Crossing Section 7 recorded as Instrument No. 990157973, in the Office of the Marion County Recorder, (the next fourteen described courses being along said south line and the east line thereof); thence North 20 degrees 43 minutes 51 seconds East a distance of 126.47 feet to the point of curvature of a curve to the right having a radius of 15.00 feet, the radius point of which bears South 69 degrees 16 minutes 09 seconds East; thence northerly and easterly along said curve an arc distance of 24.35 feet to a point bearing North 23 degrees 45 minutes 45 seconds 00 seconds East from said radius point; thence South 66 degrees 15 minutes 00 seconds East a distance of 39.43 feet; thence South 23 degrees 45 minutes 00 seconds West a distance of 100.00 feet; thence South 66 degrees 15 minutes 00 seconds East a distance of 362.95 feet; thence South 89 degrees 08 minutes 59 seconds East a distance of 140.50 feet; thence North 63 degrees 58 minutes 13 seconds East a distance of 140.62 feet; thence North 36 degrees 55 minutes 10 seconds East a distance of 125.24 feet; thence North 31 degrees 25 minutes 00 seconds East a distance of 155.45 feet; thence North 10 degrees 59 minutes 26 seconds East a distance of 134.53 feet; thence North 06 degrees 05 minutes 23 seconds West a distance of 123.34 feet; thence North 23 degrees 10 minutes 12 seconds West a distance of 123.34 feet; thence North 35 degrees 32 minutes 14 seconds West a distance of 193.77 feet; thence North 01 degrees 04 minutes 55 seconds West a distance of 139.30 feet; thence North 88 degrees 55 minutes 05 seconds East a distance of 207.53 feet to the point of curvature of a curve to the right having a radius of 325.00 feet, the radius point of which bears South 01 degrees 04 minutes 55 seconds East; thence easterly along said curve an arc distance of 104.99 feet to a point bearing North 17 degrees 25 minutes 40 seconds East from said radius point; thence South 17 degrees 25 minutes 40 seconds West a distance of 120.00 feet; thence South 60 degrees 50 minutes 55 seconds East a distance of 83.31 feet; thence South 37 degrees 24 minutes 05 seconds East a distance of 83.31 feet; thence South 17 degrees 32 minutes 27 seconds East a distance of 92.90 feet; thence North 74 degrees 25 minutes 00 seconds East a distance of 120.00 feet; thence South 15 degrees 35 minutes 00 seconds East a distance of 181.77 feet to the point of curvature of a curve to the right having a radius of 625.00 feet, the radius point of which bears South 74 degrees 25 minutes 00 seconds West; thence southerly along said curve an arc distance of 30.81 feet to a point bearing North 77 degrees 14 minutes

Exhibit "A"
Page 1 of 3
28 seconds East from said radius point; thence North 77 degrees 14 minutes 28 seconds East a distance of 60.00 feet to the point of curvature of a curve to the right having a radius of 685.00 feet, the radius point of which bears South 77 degrees 14 minutes 28 seconds West; thence southerly along said curve an arc distance of 209.10 feet to the point of reverse curvature of a curve having a radius of 15.00 feet, the radius point of which bears South 85 degrees 16 minutes 09 seconds East; thence southeasterly an arc distance of 22.66 feet to a point of compound curvature of a curve having a radius of 465.00 feet, the radius point of which bears North 08 degrees 11 minutes 41 seconds East; thence easterly along said curve an arc distance of 78.03 feet to a point bearing South 01 degrees 25 minutes 12 seconds East from said radius point; thence North 88 degrees 34 minutes 48 seconds East a distance of 254.82 feet to the point of curvature of a curve to the left having a radius of 465.00 feet, the radius point of which bears North 01 degrees 25 minutes 12 seconds West; thence easterly along said curve an arc distance of 188.45 feet to a point bearing South 24 degrees 38 minutes 27 seconds East from said radius point; thence South 24 degrees 38 minutes 27 seconds East a distance of 60.00 feet to the point of curvature of a curve to the right having a radius of 525.00 feet, the radius point of which bears North 24 degrees 38 minutes 27 seconds West; thence westerly along said curve an arc distance of 72.43 feet to a point bearing South 16 degrees 44 minutes 09 seconds East from said radius point; thence South 16 degrees 44 minutes 09 seconds East a distance of 102.52 feet; thence South 37 degrees 25 minutes 45 seconds East a distance of 145.57 feet; thence South 40 degrees 43 minutes 00 seconds East a distance of 225.23 feet; thence South 42 degrees 18 minutes 55 seconds East a distance of 226.42 feet; thence South 52 degrees 21 minutes 18 seconds East a distance of 192.50 feet; thence South 80 degrees 57 minutes 51 seconds East a distance of 91.47 feet; thence South 67 degrees 53 minutes 00 seconds East a distance of 123.00 feet; thence North 22 degrees 07 minutes 00 seconds East a distance of 120.00 feet; thence South 67 degrees 53 minutes 00 seconds East a distance of 22.83 feet to the point of curvature of a curve to the right having a radius of 13.00 feet, the radius point of which bears South 22 degrees 07 minutes 00 seconds West; thence southerly along said curve an arc distance of 23.56 feet to a point bearing South 67 degrees 53 minutes 00 seconds East from said radius point; thence South 22 degrees 07 minutes 00 seconds West a distance of 233.01 feet to the point of curvature of a curve to the left having a radius of 137.66 feet, the radius point of which bears South 67 degrees 53 minutes 00 seconds East; thence southerly along said curve an arc distance of 56.55 feet to a point bearing South 88 degrees 34 minutes 48 seconds West from said radius point; thence South 01 degrees 25 minutes 12 seconds East a distance of 5.60 feet to the point of curvature of a curve to the right having a radius of 25.00 feet, the radius point of which bears South 88 degrees 34 minutes 48 seconds West; thence southwesterly and westerly along said curve an arc distance of 39.27 feet to a point bearing South 01 degrees 24 minutes 50 seconds East from said radius point; thence South 88 degrees 34 minutes 28 seconds West a distance of 6.26 feet; thence South 82 degrees 01 minutes 11 seconds West a distance of 100.54 feet to the north line of said Heartland Boulevard as described in Grant of Right-of-Way Instrument Number 1997-0079923 (the next fourteen described courses being along said north line); thence South 88 degrees 34 minutes 48 seconds West a distance of 1047.68 feet to the point of curvature of a curve to the right having a radius of 1160.00 feet, the radius point of which bears North 01 degrees 25 minutes 12 seconds West; thence westerly along said curve an arc distance of 211.48 feet to a point bearing South 09 degrees 01 minutes 32 seconds West from said radius point; thence North 64 degrees 41 minutes 01 seconds West a distance of 49.91 feet to the point of curvature of a curve to the right having a radius of 1147.00 feet, the radius point of which bears North 11 degrees 25 minutes 10 seconds East; thence northwesterly along said curve an arc distance of 104.40 feet to a point of compound curvature of a curve to the right having a radius of 25.00 feet, the radius point of which bears North 16 degrees 38 minutes 05 seconds East; thence northwesterly along said curve an arc distance of 40.61 feet to a point bearing North 70 degrees 18
minutes 00 seconds West from said radius point; thence North 69 degrees 34 minutes 30 seconds West a distance of 77.01 feet to the point of curvature of a curve to the right having a radius of 25.00 feet, the radius point of which bears North 70 degrees 18 minutes 00 seconds West; thence westerly along said curve an arc distance of 38.67 feet to a point bearing South 18 degrees 20 minutes 06 seconds West from said radius point; thence North 71 degrees 39 minutes 54 seconds West a distance of 107.05 feet to the point of curvature of a curve to the right having a radius of 1160.00 feet, the radius point of which bears North 28 degrees 17 minutes 53 seconds East; thence northwesterly along said curve an arc distance of 452.36 feet to a point bearing South 50 degrees 38 minutes 29 seconds West from said radius point; thence North 39 degrees 21 minutes 31 seconds West a distance of 274.78 feet to the point of curvature of a curve to the left having a radius of 790.00 feet, the radius point of which bears South 50 degrees 38 minutes 29 seconds West; thence northwesterly along said curve an arc distance of 206.64 feet to a point bearing North 35 degrees 39 minutes 17 seconds East from said radius point; thence North 41 degrees 22 minutes 26 seconds West a distance of 51.05 feet to the point of curvature of a curve to the left having a radius of 803.00 feet, the radius point of which bears South 32 degrees 06 minutes 11 seconds West; thence northwesterly along said curve an arc distance of 110.86 feet to the point of reverse curvature of a curve to the right having a radius of 25.00 feet, the radius point of which bears North 24 degrees 11 minutes 35 seconds East; thence northwesterly along said curve an arc distance of 37.76 feet to the Point of Beginning. Containing 44.966 acres, more or less.
ADDITIONAL SECTIONS

There may be Real Estate located in Marion County, Indiana, which may be made additional sections of Valley Ridge at Heartland Crossing.
BUILDING STANDARDS AND ASSOCIATION FEES

COMMUNITY: Valley Ridge at Heartland Crossing, Section I

BUILDING STANDARDS:

Section I
Type of Residence: Single Family Home
No. of Lots: Per approved Cluster Plan
Lot Size: 6,000 sft. minimum area and 50’ minimum width at building line
Set Backs: Minimum setback line and front yard: 25 feet
Minimum rear yard: 20 feet
Minimum side yard: Aggregate: 16 feet, provided, however, no side yard shall be less than 6 feet

Min. Square Feet (sft.) of Finished Living Space: One-story building: 1,400 sft. for each dwelling unit
Building higher than one story: 1,700 sft. for each dwelling unit in the building, provided the total floor area of each unit shall be at least 1,700 sft.

1. All signage and all sign locations, including any sign to advertise the source of mortgages, shall be in good taste and shall be approved by the Developer prior to installation.

2. Builder shall install Committee-approved and Post Office-approved curb side rural mailboxes during original construction of the Dwelling Units. Builder shall supply mail boxes.

3. Street lights shall be leased as a part of the association fee.

4. No mobile, modular or manufactured home shall be permitted. Panelized construction of the homes shall be permitted and shall not be considered to be mobile, modular or manufactured homes.

5. All roofs shall be Weatherwood by Owenings-Corning or the same color manufactured by a different supplier.

6. All vinyl siding shall be presented to Committee for approval of color and quality prior to construction. Any vinyl siding used on a house shall have a minimum gauge of 0.042 inches and shall be equal to or better than the Wolverine Legend Series.

EXHIBIT “C”
Valley Ridge at Heartland Crossing, Section I - Supplemental Declaration
3VR@HLC1SUPEXHC2 051000 15:39 1
7. Developer shall specify fence requirements in the Covenants and shall be approved by the Association. Wood decks with railings may be allowed as approved by Developer.

8. Each Lot shall receive the following minimum landscaping which must be approved by the Committee for specifications, size, and location.

   a. At least one (1) deciduous shade (overstory) tree with a minimum of two (2) inch-caliper shall be planted in the front yard. Builder may choose among red oak, hard maple, seedless ash, or pear for the required deciduous shade tree.

   b. The front yard and one-half (1/2) of the side yards shall be sodded. The remainder of the side yards and the back yard may be graded only.

   c. All landscaping shall be completed within six (6) months from the start of construction, weather permitting.

9. Minimum Areas. The following restrictions shall apply: The minimum square footage of finished living space of each Dwelling Unit constructed, exclusive of garage, carports, open porches, or basements below ground level shall be:

   **Section 1 - D2**
   1,400 sq. ft. Single Story
   1,700 sq. ft. Two Story

10. Each Dwelling Unit shall have as a minimum a two-car attached garage, provided, however, no Dwelling Unit shall have more than a three-car attached garage. No garage can be converted to other uses unless it is replaced by a new attached garage.

11. All driveways shall meet the following requirements:

   a. All driveways shall be constructed of concrete or asphalt and shall accommodate two (2) parking spaces.

   b. Driveways shall be not more than twelve (12) inches wider than the outside walls of the garage door or doors which it serves.

   c. The width of the driveway shall be a minimum of sixteen feet (16') and shall be no less in width than the outer edges of the garage door or doors which it serves.

12. Builder shall finish grade lots to conform with the grading plan approved by the Department of Capital Asset Management of Marion County. Of critical importance is the grading of side yard and rear swales. Builder shall have the right to enter upon adjacent undeveloped lots to

EXHIBIT “C”

Valley Ridge at Heartland Crossing, Section I - Supplemental Declaration

3VR@HLCSUPEXHC2 05/00015:39
grade side yard and rear swales to meet the approved grading plan; however, Builder shall return the disturbed adjacent lots to their original condition. Builder shall grade all rear swales to conform to the grading plans approved by the Department of Capital Asset Management of Marion County, Indiana.

13. Subject to an Act of God, a casualty, weather and other causes beyond Builder's control, homes shall be completed within six (6) months from the commencement of construction of the footings by Builder. Completion of homes shall include landscaping.

14. Within 12 months after the transfer of title of Lot to Builder, Builder shall agree (a) to install public concrete sidewalks and street approaches in front of such Lot in accordance with City of Indianapolis standards, (b) to conform to the overall development plan, and (c) to meet all governmental agency requirements for the acceptance of sidewalks for maintenance by the City of Indianapolis. The City of Indianapolis standards require that all corner lots provide handicap access from the public sidewalk to the curb at street intersections and as shown on the approved development plan and/or approved street plans.

15. No above ground pools, storage sheds, dog runs, or satellite dishes over 29" in diameter shall be permitted.

16. The Owners and Lots in the Community are subject to the Master Declaration which is referred to on page one (1) of this Supplemental Declaration. Both the Master Declaration and the Supplemental Declaration must be adhered to in order to be in compliance with the covenants, conditions and restrictions of the Community. If there is a section addressing the same subject in both Declarations, the more restrictive section shall apply.

**COMMUNITY FEE:**

**MASTER ASSOCIATION FEE:**

$30 per month shall cover common area maintenance and street lights of the community, and shall cover common area and facilities maintenance costs in Heartland Crossing and access to all of the Tri-County Conservancy District facilities. Each Lot Owner shall be responsible for the yard care, trash removal, maintenance and insurance on Lot Owner's residence. The allocation of the Association Fee between the subdivision Association and the Master Association shall be determined by the Board of Directors of the Master Association.

*These fees are estimated amounts and are subject to annual adjustment.

EXHIBIT “C”

Valley Ridge at Heartland Crossing, Section I - Supplemental Declaration

3VR@HLC@SUP@EXHC2 051000 15:39