

**DECLARATION OF COVENANTS AND RESTRICTIONS OF  
THE WATSON FARMS OWNERSHIP**

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**DECLARATION OF COVENANTS AND RESTRICTIONS OF REV.1**

**THE WATSON FARMS OWNERSHIP**

SECTION II

THIS DECLARATION made this 11<sup>th</sup> day of October, 1993, by Warren T. Watson and Delores E. Watson (WATSONS) are the title owners of real estate hereinafter detailed subject to an installment purchase contract with Land Innovators Company, an Indiana Limited Partnership (hereinafter called DECLARANT) under a “Land Contract” recorded as Instrument #92-165080 with the Marion County Recorder’s Office.

WITNESSETH:

WHEREAS, the following facts are true:

- A. DECLARANT at the time of execution hereof will be the sole owner in fee simple of real estate located in Marion County, Indiana, more particularly described in the attached Exhibit “A”, which is incorporated herein by reference (hereinafter referred to as “TRACT” or “WATSON FARMS SECTION I) with the right to acquire sole fee simple ownership from the Watsons under the aforesaid LAND CONTRACT as to real estate located in Marion County, Indiana, attached hereto and made a part hereof as Exhibit “B”.
- B. DECLARANT, by execution of this Declaration, assures that all properties which are conveyed which are a part of the “TRACT” shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the “TRACT” and be binding upon all parties having right, title or interest in the “TRACT”, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

NOW, THEREFORE, DECLARANT hereby makes this Declaration as follows:

- 1. Definitions. The following terms as used in this Declaration, unless the context clearly requires otherwise, shall mean the following:
  - (a) “ADDITIONAL TRACT” means the real estate or any part of it described in Paragraph 21 of this Declaration, legally described in Exhibit “B”.
  - (b) “Applicable Date” means the date determined pursuant to Paragraph 8 of this Declaration.
  - (c) “Articles” or “Articles of Incorporation” means the Articles of Incorporation of the Corporation, as hereinafter defined. The Articles of Incorporation are incorporated herein by reference.
  - (d) “Board of Directors” means the governing body of the Corporation elected by the Members in accordance with the By-Laws of the Corporation.

- (e) “By-Laws” shall mean the By-Laws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation. A copy of the By-Laws is incorporated herein by reference.
- (f) “Common Expense” means expenses for the administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Common Areas or the Common Expense areas, and all sums lawfully assessed against the members of the Corporation.
- (g) Common Areas and/or Common Expense Areas.

The following appear as designated upon the Final Plat of Watson Farms, Section I or upon a recorded Final Plat, if any, of the ADDITIONAL TRACT or any part thereof denominated as Watson Farms.

Detention/Retention Lakes (Lakes).

One or more of such Lakes are part of the overall drainage system of the project known as Watson Farms and are herein labeled as “Common Expense Areas”. The “Corporation” later defined and known as Watson Farms Homeowners Association Inc. (hereinafter referred to as “HOA”) shall be responsible to maintain these Lakes and will be provided ingress and egress, if necessary, to these Lakes along with representatives of the Indianapolis Department of Public Works for inspection and/or maintenance within such easements designated on plats (Ingress - Egress Easements).

The ownership of Lakes whether directly adjacent to a public street, or totally surrounded by platted Lots in the Watson Farms project or lakes exposed or accessible to realty not part of the Watson Farms project, shall ultimately be titled in the “HOA” by Deeds of Conveyance from the DECLARANT to the “HOA” on or before the Applicable Date hereinafter defined.

A conceptual plan of the Watson Farms project is attached as Exhibit “C” with the right solely in Declarant to modify same except for areas of Watson Farms that are recorded plats. The use of all Lakes as presently shown on Exhibit “C”, shall be as

hereinafter detailed unless modified of record by the reservation of Declarant aforesaid. The Lakes are identifiable as numbered on Exhibit "C" and shall be either "General Common Area" or "Limited Common Area" as those terms are defined in this Declaration. Subject to this designation of use these Lakes shall nevertheless be also subject to rules and regulations adopted and published by the HOA.

Lake 1 "General Common Area" with Declarant reserving an area for an identification wall sign and landscaping to be maintained by the HOA.

Lake 2,3,4,5 "Limited Common Area" where use thereof is limited to those Lot owners in the Watson Farms project whose Lots are adjacent thereto with no assurance being given by Declarant that unauthorized access by others will be made impossible.

Lake 6 "Limited Common Area" where use there of is limited to those Lot owners in the Watson Farms project whose Lots totally surround same.

Lake 7 "GENERAL COMMON AREA" WITHIN WHICH DECLARANT RESERVES THE RIGHT TO BE BUILT OR CAUSE TO BE BUILT A POOL AND POOL HOUSE COMMENCING WHEN 75% OF THE LOTS IN THE CONCEPTUAL PLAN (EXHIBIT "C") HAVE BEEN CONVEYED TO CLASS A MEMBERS. DECLARANT FURTHER RESERVES THE RIGHT, WITHOUT THE OBLIGATION, TO BUILD OR CAUSE TO BE BUILT OTHER RECREATIONAL FACILITIES, IF ANY, AS DECLARANT DEEMS APPROPRIATE.

DECLARANT makes no representations as to the level of water to be maintained in any of these Lakes.

Landscape Area and/or Easements.

A Common Area across from Lake 1 at the entrance to the Watson Farms project from 63<sup>rd</sup> Street shall at Declarant's option contain an identical wall sign to that located around Lake 1 plus landscaping. The ownership of this Landscape Area shall

ultimately be titled in the “HOA” by Deeds of Conveyance from the Declarant to the “HOA” on or before the Applicable Date hereinafter defined. Once owned by the “HOA” the use of this Landscape Area shall be determined by the “HOA”. Maintenance of any such sign and/or landscaping shall be a responsibility of the “HOA” as a common expense.

Landscape easements as indicated on any Final plat involving the entrance-way to the Watson Farms project from 59<sup>th</sup> Street shall run to the benefit of the “HOA”.

The “HOA” shall, as a common expense, maintain each of these areas including, but not limited to, grass cutting, shrub trimming and/or replacement and wall repair and/or restoration. Ingress and egress to the “HOA” or its duly authorized representatives is assured for these purposes.

- (h) “Corporation” also known as HOA means the Watson Farms Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation, whose members shall be the Owners of Lots, or appointees as provided in Paragraph 8 of this Declaration; such Corporation being more particularly described in Paragraph 8 of this Declaration.
- (i) “DECLARANT” shall mean and refer to Land Innovators Company and any successors and assigns of it whom it designates in one or more written recorded instruments, to have the rights of DECLARANT hereunder including, but not limited to, any mortgagee acquiring title to any portion of the “TRACT” pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by DECLARANT.
- (j) “Dwelling Unit” means the living units located upon a Lot.
- (k) “Lot” means any plot of ground designated as such upon the recorded Final Plat of The Watson Farms, Section I or upon the recorded Final Plat, if any, of the ADDITIONAL TRACT or any part thereof and upon which one (1) Dwelling Unit is constructed, is to be constructed or has existed. When Lot is used it shall be deemed to include the Dwelling Unit, if any, located thereon.
- (l) “Member” means a member of the Corporation.
- (m) “Mortgagee” means the holder of a first mortgage lien on a Lot.



- (n) “The Watson Farms, Section I” means the name by which the TRACT, as described in Paragraph A above, which is the subject of this Declaration, and shall be known.
- (o) “Watson Farms” means the Watson Farms, Section I and any additional area or section from the Exhibit “B” realty by the recordation of a Final Plat in the Marion County Recorder’s Office.
- (p) “Owner” means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to a Lot.
- (q) “TRACT” means the real estate described in Paragraph A above and such portions of the ADDITIONAL TRACT for which a Final Plat has been recorded in the Office of the Recorder of Marion County, Indiana within the time period specified in paragraph 21 of this Declaration.

2. Declaration. DECLARANT hereby expressly declares that the “TRACT” shall be held, conveyed and transferred in accordance with the provisions of this Declaration.

3. Description of “Watson Farms, Section I”. The “Watson Farms” consists of 51 Lots, as designated on the Final Plat. The legal description for each lot in Watson Farms, Section I shall be as follows:

Lot \_\_\_\_ in Watson Farms, Section I, a subdivision in Marion County, Indiana, as per plat thereof recorded October 1, 1993, as Instrument No. 930152275, in the Office of the Recorder of Marion County, Indiana.

4. Ownership of Common Area. The Common Area in any platted portion of the ADDITIONAL TRACT subject to this Declaration shall be conveyed to the “HOA” and thereafter owned by the Corporation, and shall be held for the use and enjoyment of the Members (except as limited in the case of certain Common Area Lakes described in Section I[g]), all of whom shall have the right and easement of enjoyment in and to the Common Area which right shall pass with title to every Lot, subject to the provisions of this Declaration, including, but not limited to, the following:

- (a) The right of the Corporation to charge reasonable admission and other fees for use of any recreational facility including, but not limited to, the Common Lakes.
- (b) The right of the Corporation to suspend any Member from the right to use for any period during which any assessment against such Member’s Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Board’s published rules and regulations.
- (c) The right of the Corporation, upon approval by a written instrument signed by two-thirds

(2/3rds) of all Class A Members, two-thirds (2/3rds) of all Class B Members, and by two-thirds (2/3rds) of all first mortgagees, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such Common Area purposes and subject to such conditions as may be agreed by the Corporation.

- (d) The right of the Corporation to adopt such rules and regulations regarding the Common Area as it deems necessary as provided in Paragraph 19.
- (e) A given Common Area in platted portions of the TRACT or of the ADDITIONAL TRACT made subject to this Declaration shall be conveyed by the DECLARANT and thereafter owned by the Corporation no later than when 75% of the Lots in platted portion that contains the applicable Common Area have been transferred to a name other than the DECLARANT.

5. Delegation of Use of the Common Area. any Member may delegate, in accordance with provisions of this Declaration and the rules or regulations promulgated by the Corporation, his right of enjoyment, and use of the Common Area to members of his family, his tenants or contract purchasers who reside on any Lot.

6. Encroachments and Easements in Common Area. If by reason of inexactness of construction, settling after construction or for any other reasons, any Common Area encroaches upon any Lot, an easement shall be deemed to exist and run to the Corporation for the maintenance, use and enjoyment of such Common Area.

Each Owner shall have an easement in common .with each other Owner to use all pipes, wires, ducts, cables, conduits, utility lines and other common facilities, if any, in the Common Area and serving his Dwelling Unit.

7. Easement for Utilities and Public and Quasi-Public Vehicles. An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to, water, sewers, gas, telephone and electricity on the “TRACT”; provided, however, nothing herein shall permit the installation of sewers, electric lines, water line or other utilities, except as initially designed and approved by DECLARANT on the Plat or as thereafter may be approved by DECLARANT or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the “TRACT” and to affix and maintain electrical and telephone

wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Dwelling Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, DECLARANT shall have the right to grant such easement on such "TRACT", without conflicting with the terms of this Paragraph. The easements granted herein shall in no way affect any other recorded easement on the "TRACT".

8. Corporation: Membership: Voting, Functions.

- (a) Membership in Corporation. DECLARANT and each Owner of a Lot which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Corporation and shall remain a Member until such time as his ownership of a Lot ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his Lot; provided, however, that any person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Corporation.
- (b) Voting Rights. The Corporation shall have two (2) classes of membership, with the following voting rights:
  - (i) Class A. Class A Members shall be all Owners except Class B Members. Each Class A Member shall be entitled to one (1) vote for each Lot of which such Member is the Owner with respect to each matter submitted to a voted of Members upon which the Class A Members are entitled to vote. When more than one (1) person constitutes the Owner of a particular Lot, all such persons shall be Members of the Corporation, but all of such persons shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be case with respect to any such Lot.
  - (ii) Class B. Class B Members shall be DECLARANT and all successors and assigns of DECLARANT designated by DECLARANT as Class B Members in a written notice mailed or delivered to the resident agent of the Corporation. Each Class B Member shall be entitled to three (3) votes for each Lot of which it is the Owner in all matters requiring a vote of the Members of the Corporation (Lots for this purpose include Lots reflected in recorded plats and/or Lots reflected in preliminary plats that are in the platting process). The Class B membership shall cease and terminate upon the APPLICABLE DATE, which shall be the first to occur of:
    - 1. the date upon which the written resignation of the Class B Members is delivered to the resident agent of the Corporation;
    - 2. thirty (30) days after the date when the total votes outstanding in the Class A

membership equal or exceed the total votes outstanding in the Class B membership, or;

3. 10 years after date of recordation of this Declaration.

(c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, and administration of the Common Areas, and Common Expense Areas (Item 1g) and to pay any other necessary expenses and costs in connection with these areas, and to perform such other functions as may be designated by it to perform under this Declaration.

9. Board of Directors.

(a) Management. The business and affairs of the Corporation shall be governed and managed by the Board of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he is, or is deemed in accordance with this Declaration to be, an Owner, including a person appointed by DECLARANT as provided in subparagraph N of this Paragraph 9.

(b) Initial Board of Directors. The Initial Board of Directors shall be composed of the persons designated in the Articles, to-wit: Robert N. Thompson, David Compton and John Witlock (hereinafter referred to as the "Initial Board") all of whom have been or shall be appointed by DECLARANT. Notwithstanding anything to the contrary contained in, or any other provisions of this Declaration, the Articles or the By-Laws (a) the Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Date, determined as provided above, every such vacancy shall be filled by a person appointed by DECLARANT, who shall thereafter be deemed a member of the Initial Board. Each Owner, by acceptance of a deed to a Lot, or by acquisition of any interest in a Dwelling Unit by any type or juridical acts inter vivos or causa mortis, or otherwise, shall be deemed to have appointed DECLARANT as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote, and to vote as DECLARANT determines, on all matters as to which Members of the Corporation

are entitled to vote under the Declaration, the Articles, the By-Laws or otherwise; provided, however, this right to vote granted to DECLARANT shall not extend to votes of Members (if a vote is required) on matters of Special Assessments, mortgaging the Common Areas titled in the HOA or merger/consolidation of the Corporation with another corporation. This appointment of DECLARANT as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetence of the Owner granting the same. Each person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by DECLARANT to fill a vacancy, shall be deemed a Member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board shall be deemed or considered a Member of the Corporation nor an Owner of a Lot for any other purpose (unless he is actually the Owner of a Lot and thereby a Member of the Corporation).

- (c) Additional Qualifications. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting the multiple Owner or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Lot or Dwelling Unit may be represented on the Board of Directors by more than one person at a time.
- (d) Terms of Office and Vacancy. The Initial Board, per subparagraph (b) of this Paragraph, 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, if there are five (5) Board members then members shall be elected for a term of three (3) years, except that at the first election after the Applicable Date two members of the Board of Directors shall be elected for a three (3) year term, two for a two (2) year term, and one for a one (1) year term so that continuity in experience is assured three staggered terms. After the Applicable Date, if there are seven (7) Board members then members shall be elected for a term of three (3) years, except that at the first election after the Applicable Date three members of the Board of Directors shall be elected for a three (3) year term, three for a two (2) year term, and one for a one (1) year

term so that continuity in experience is assured three staggered terms. There shall be separate nominations for the office of each member of the Board to be elected at such first election after the Applicable Date. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions subparagraph (b) of this Paragraph as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of a majority of the remaining members of the Board or by vote of the Owners if a Director is removed in accordance with subparagraph (a) of this Paragraph. The Director so filling a vacancy shall serve until the next annual meeting of the members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

- (e) Removal of Directors. A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the votes entitled to be cast at a special meeting of the Owners duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified.
- (f) Duties of the Board of Directors. The Board of Directors shall be the governing body of the Corporation representing all of the Owners and being responsible for the functions and duties of the Corporation, including, but not limited to, the management, maintenance, repair, upkeep and replacement as required and detailed under this Declaration within the Common Areas, and Common Expense Areas (Item 1g), and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the “Managing Agent”) upon such terms as the Board shall find, in its discretion, reasonable and customary, 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. Other than the Initial Management under Paragraph 9 any decision thereafter to employ a professional property management agent shall require the prior consent of the Owners of at least fifty-one percent (51%) of the vote and fifty-one percent (51%) of the vote of Mortgagees who are registered as hereinafter detailed. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:

- (i) protection, surveillance of the Common Areas and Common Expense Areas (Item 1g), unless the same are otherwise the responsibility or duty of Owners of Lots; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
  - (ii) the duties delineated under Item 1(g) hereof;
  - (iii) assessment and collection from the Owners of each Owner's respective share of the Common Expenses;
  - (iv) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
  - (v) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;
  - (vi) keeping a current, accurate and detailed record of receipts and expenditures affecting the Common Areas and the Common Expense Area (Item 1g) 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;
  - (vii) procuring and maintaining for the benefit of the Corporation and the Board the insurance coverages required under the Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;
  - (viii) paying any other necessary expenses and costs in connection with the duties in subsection (ii) hereof; and
  - (ix) to furnish, upon request of any Mortgagee, insurer or guarantor of a first mortgage, an audited financial statement for the immediately preceding fiscal year.
- (g) Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:
- (i) to employ a "Managing Agent to assist the Board in performing its duties;

- (ii) to purchase, lease or otherwise obtain for the Corporation to enable it to perform its functions and duties, such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
  - (iii) to employ legal counsel, architects, contractors, accountants and other as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;
  - (iv) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;
  - (v) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom; and
  - (vi) to open and maintain a bank account or accounts in the name of the Corporation,
- (h) Limitation on Board Action. After the Applicable Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500.00 (adjusted annually for increases or decreases in the Consumer Price Index) but in no event less than \$2,500.00 without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:
- (i) contracts for replacing or restoring portions of the Common Areas or Common Expense Areas (Item 1g) damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
  - (ii) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting, and
  - (iii) expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners.
- (i) Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority vote of the Owners. The Managing Agent, if any is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.
- (j) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on



behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation.

- (k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. In making such finding and notwithstanding the adjudication in any action, suite or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Corporation or statement or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof, nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meeting of the Board of Directors.
- (l) Bond. The Board of Directors shall provide blanket fidelity bonds for the Managing Agent (if any), the treasurer of the Corporation, and such other officers or directors of the Corporation that handle or are responsible for funds indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wilful misapplication, and other

acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors (provided, however, in no event shall the aggregate amount of the bond be less than a sum equal to three (3) months aggregate assessments on all Dwelling Units) and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. Fidelity bonds shall name the Corporation as an obligee and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of “employees” or similar terms or expressions. Such bonds shall provide that they may not be cancelled or substantially modified for any reason without at least ten (10) days prior written notice to the Corporation. The expense of any such bonds shall be a Common Expense.

10. Initial Management. The Board of Directors has entered or will, hereafter enter into a management agreement with DECLARANT or with a corporation or other entity affiliated with DECLARANT or designated by DECLARANT for a term not to exceed three (3) years with either party having the right to terminate upon ninety (90) days’ notice under which DECLARANT (or such other corporation or entity as appropriated) will provide supervision, management and maintenance of the Lakes, and Landscape Area and/or Landscape Easements and in general perform all of the duties and obligations of the Corporation. Such management agreement may be renewed by the parties for additional terms of three (3) or less years or a new management agreement with different parties may be executed under similar terms and conditions. Any management agreement is or will be subject to termination by DECLARANT (or such other corporation or entity as appropriate) at any time prior to expiration of its term, in which event the Corporation shall thereupon and thereafter resume performance of all of its duties and obligations. Notwithstanding anything to the contrary contained herein, so long as a management agreement between the Corporation and DECLARANT (or such other corporation or entity as appropriate) is in effect, DECLARANT (or such other corporation or entity as appropriate) shall have and DECLARANT hereby reserves to itself (or such other corporation or entity as appropriate), the exclusive right to manage the Lakes, and accordance with the By-Laws of the Corporation.
11. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Lot. In the event that for any year the real estate taxes are not separately assessed and taxed to each Lot but are

assessed and taxed on the “TRACT” and “ADDITIONAL TRACT” or part thereof as a whole, without a breakdown for each Lot, then each Owner shall pay his proportionate share of the real estate taxes assessed to the land comprising the “TRACT” and “ADDITIONAL TRACT” or that part thereof that is assessed as a whole, which shall be the ratio that the square footage in his Lot bears to the total square footage of all the land comprising the “TRACT” and “ADDITIONAL TRACT” or part thereof assessed as a whole, and shall pay his proportionate share of the real estate taxes assessed on the improvements on the “TRACT” and “ADDITIONAL TRACT” or part thereof assessed as a whole based upon the ratio that the square footage of all improved Lots.

12. Utilities. Each Owner shall pay for his own utilities which are separately metered. Utilities which are not separately metered, if any, shall be treated as and paid as part of the Common Expense unless otherwise determined by the Corporation.
13. Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the Common Areas and the Common Expense Areas, as detailed in Item 1(g) of this Declaration, shall be furnished by the Corporation as a part of its duties and the cost thereof shall constitute a part of the Common Expenses. Each Owner shall be responsible for maintaining and keeping his Lot and all improvements thereon in a good, clean and sanitary condition except as modified by Item 1(g) hereof. Notwithstanding any obligation or duty of the corporation to repair or maintain aforesaid if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation’s insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner’s lot is subject. If any Owner shall fail so to maintain and keep his property or any part thereof in a good, clean and sanitary condition, exclusive of dwelling maintenance, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner’s assessment, and such cost shall be immediately due, and shall be secured by the Corporation’s lien on the

Owner's property. So long as the "TRACT" is subject to this Declaration each Owner, by his acceptance of a deed to any Lot, irrevocably grants the Corporation, its agents and employees, the right to enter upon, across and over the Lot owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair or other work contemplated herein.

14. Architectural Control.

- (a) The Architectural Review Board. As a standing committee of the Corporation there shall be, and hereby is, established an Architectural Review Board consisting of three (3) or more persons as may, from time to time, be provided in the By-Laws. Until the date hereinafter referred to in Item 21, the Architectural Review Board shall be the Initial Board of Directors unless the Initial Board of Directors relinquishes this responsibility in writing to the HOA at an earlier date. The Architectural Review Board shall be appointed by the Board of Directors at such time as all platted lots in the TRACT and ADDITIONAL TRACTS under Item 21 hereof have been transferred by the Declarant to a title holder other than Declarant.
- (b) Purpose. The Architectural Review Board shall regulate the external design, appearance, use and location of improvements on the Real Estate in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.
- (c) Conditions. No improvements, alterations, repairs, excavation, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the DECLARANT to an Owner shall be made or done without the prior approval of the Architectural Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, Dwelling Unit, change in the Common Areas or Common Expense Areas (Item 1g), or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Architectural Review Board.
- (d) Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove

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

- (e) Maintenance of Architectural Control. The Association may not waive or abandon the procedure for regulating and enforcing the architectural design of the Dwelling Units nor for maintaining the Common Areas or Common Expense Areas (Item 1g) without the prior written approval of 2/3rds of all Owners and 2/3rds of all Mortgagees whose mortgage interests have been made known to the Board of Directors in accordance with the provisions of this Declaration.

15. Assessments.

- (a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation and prior to the date of the annual meeting of the Corporation next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a 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.
- (b) Proposed Annual Budget. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption, and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At

the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Owners; provided, however, that in no event shall the annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Corporation shall be established by issuing generally accepted accounting principles applied on consistent basis. The annual budget may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement of the Common Areas and Common Expense Areas (Item 1g), which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary repair expenses. Such replacement reserve fund for capital expenditures and replacement for the Common Areas and Common Expense Areas (Item 1g), shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Marion County, Indiana selected from time to time by the Board. The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses are herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred ten percent (110%) of such last approved budget, as a temporary budget.

- (c) Regular Assessment. The annual budget as adopted by the Owners shall, based on the estimated cash requirement for the Common Expenses on the current fiscal year as set forth in said budget, contain a proposed assessment against each Lot, which shall be the same amount for each Lot. Immediately following the adoption of the annual budget, each Owner shall be given

written notice of such assessment against his respective Lot (herein called the “Regular Assessment”). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The Regular Assessment against each Lot shall be paid in advance annually commencing on the first day of the first month of each fiscal year and yearly thereafter. Builders who purchase Lots for resale to homeowners for occupancy shall be excused from the annual Regular Assessment for an interval of four (4) months from the date of conveyance of the Lot from Declarant to the Builder. Payment of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget, then:

- (i) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid within thirty (30) days of written notice to said effect.
- (ii) If the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess shall be credited against the next payment of the Regular Assessment coming due, until the entire amount of such excess has been so credited.

The Regular Assessment for the current fiscal year of the corporation shall become a lien on each separate Lot as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided sells, conveys or transfers his Lot or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Lot from Payment of the Regular Assessment for such Lot as

finally determined, and such Owner and his successor as Owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 16 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. The Regular Assessments shall be due and payable automatically on its due date without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

- (d) Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and provided that any such assessment shall have the assent of two thirds ( $2/3^{\text{rd}}$ ) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, and further provided that the DECLARANT shall not be any Owner's agent, attorney-in- fact or proxy in this vote pursuant to the third sentence of Paragraph 7 of this Declaration, the Board of Directors shall have the full right, power and authority to make special assessments which, upon resolution of the Board, shall become a lien on each Lot, prorated in equal shares (herein called "Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefore under the circumstances described in this Declaration.
- (e) Regular Assessments Prior to the Applicable Date. During the period that Dwelling Units are being constructed within the "TRACT" or any "ADDITIONAL TRACT", it is difficult to accurately allocate the Common Expenses to the individual Lots. The purpose of this section is to provide



the method for the payment of the Common Expenses during the period prior to the Applicable Date to enable the Corporation to perform its duties and functions. Accordingly, and notwithstanding any other provision contained in the Declaration, the Articles or the By-Laws or otherwise, prior to the Applicable Date, the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without any meeting or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this subparagraph. The Corporation will enter into a management agreement with DECLARANT (or a corporation or other entity designated by DECLARANT) (hereinafter referred to as "Management Agent" or "Managing Agent") in accordance with the provisions of Paragraph 9 of this Declaration. So long as such management agreement (or similar agreement) remains in effect, the Common Expenses and Regular Assessment shall be paid by Owners to Management Agent. DECLARANT shall guarantee that until the earlier of (1) termination of said management agreement or (2) 1 year after the date of execution, the annual Regular Assessment shall not exceed Three Hundred Dollars (\$300.00) (the "Guaranteed Charge"). After this date (assuming that said management agreement or similar agreement is still in effect) and so long thereafter as said management agreement (or similar agreement) remains in effect and Management Agent continues to perform such functions, DECLARANT guarantees that the annual Regular Assessment shall not exceed the amount of the Guaranteed Charge for each year. Such adjustments to the Guaranteed Charge (up to a twenty percent (20%) increase as determined by the Board) shall be made annually on January 1 of each year so long as said management agreement remains in effect and Management Agent continues to perform such functions. Such annual charge shall during such guaranteed period entirely defray the Owner's obligation for his share of Common Expenses or shall be the Owner's entire Regular Assessment. DECLARANT shall be responsible for any deficit over and above this "START UP FUND" hereinafter detailed, during such guarantee period; provided, however, that this guarantee is not intended to include, and does not include, major physical alterations or other unusual

expenditures not ordinarily anticipated in normal maintenance operations. Such expenditures would be covered through Special Assessments, or if sufficient the replacement reserve fund, if any such fund exists. That portion of the Regular Assessment collected by DECLARANT prior to the Applicable Date applicable to any replacement reserve created shall be held by the initial Board and if required, applied to the replacement required in the Common Areas and Common Expense Areas (Item 1g). To the extent that any such replacement reserve is not so applied, the balance thereof shall be retained by the Corporation at the Applicable Date. Payment of Regular Assessment prior to the Applicable Date with respect to each Dwelling Unit (that is not owned by DECLARANT) shall commence on the date of conveyance by DECLARANT to such new owner or from the date of conveyance by a Builder who secured title from Declarant for resale to homeowners for their occupancy. The "START UP FUND" of one-sixth (1/6<sup>th</sup>) of the Regular Assessment aforesaid shall be added to the Regular Assessment and be due at the same time. The first payment shall be payable on the date of conveyance prorated based upon a 365 day year. Thereafter, payment of the Regular Assessment shall be paid the first day of each annual period thereafter during the period prior to the Applicable Date. DECLARANT SHALL ONLY BE RESPONSIBLE FOR REGULAR ASSESSMENTS FOR LOTS OWNED BY DECLARANT FOR 25% OF THE REGULAR ASSESSMENT. PROVIDED HOWEVER, SUCH PAYMENTS BY DECLARANT FOR LOTS WITHIN A PARTICULAR FINAL PLAT SHALL NOT COMMENCE UNTIL THE FIRST LOT IN SUCH AREA SUBJECT TO A FINAL PLAT IS CONVEYED BY DECLARANT TO A NEW OWNER AND, PROVIDED FURTHER, THAT THE AGGREGATE OF SUCH PAYMENTS FROM THE DECLARANT IN ANY CALENDAR YEAR SHALL NOT EXCEED \$2,000.00.

Each Owner hereby authorizes the Corporation and the Board of Directors and its officers to enter into the aforesaid management agreement described in Paragraph 9 of this Declaration and to adhere to and abide by the same.

- (f) Initial Working Capital and START-UP FUND. Upon the closing of the initial conveyance of

each Lot by Declarant to another person, except for builders listed on Declarant's Builder List as that list is published from time to time, the purchaser of such Lot shall pay to the Corporation, in addition to any other amounts then owed or due to the Corporation, as a contribution to its working capital and "START-UP FUND", an amount equal to one-sixth (1/6<sup>th</sup>) of the then current annual Regular Assessment against such Lot, which payment shall be non-refundable and shall not be considered as an advance payment of any Assessment or other charge owed the Corporation with respect to such Lot. Such working capital and START-UP FUND shall be held and used by the Corporation for payment of, or reimbursement to Declarant for advances made to pay expenses of the Corporation for its early period of operation, to enable the Corporation to have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary by the Board.

- (g) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying regular Assessments and Special Assessments or from contributing toward the Common Expense or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Areas and/or Common Expense Areas (Item 1g) or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment or Special Assessment when due, the lien for such assessment on the Owner's Lot and Dwelling Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon the failure of the Owner to make timely payments of any Regular Assessment or Special Assessment when due the Board may in its discretion accelerate the entire balance of unpaid assessments the Owner and any occupant of the Lot and Dwelling Unit shall be jointly and severally liable for the payment to the Corporation and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and Dwelling Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the

unpaid Regular Assessments or Special Assessments. The Board may at its option bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment whether by foreclosure or otherwise, the Board for and on behalf of the Corporation shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit costs and expenses of such action incurred (including, but not limited to, reasonable attorney's fees) and interest from the date such assessment were due until paid at the rate equal to the prime interest rate then being charged by NBD of Indianapolis to its largest and best corporate customer (or if said bank is no longer in existence then such rate charged by another National Bank in Marion County, Indiana selected by the Board of Directors). The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage.

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

16. Mortgages.

- (a) Notice to Corporation. Any Owner who places a first mortgage lien upon his Lot, or the Mortgagee, shall notify the Secretary of the Corporation thereof and provide the name address

of the Mortgagee. A record of such Mortgage and name and address shall be maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of this Declaration, the By-Laws or otherwise shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by this Declaration, the By-Laws or otherwise shall be required by this Declaration, the By-Laws shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of this Declaration, the By-Laws, a proxy granted to such Mortgagee in connection with the mortgage, or otherwise. The Corporation shall, upon request of a Mortgagee who has furnished the Corporation with its name and address as hereinabove provided, furnish such Mortgagee with written notice of any default in the performance by its borrower of any obligations of such borrower under this Declaration or the By-Laws which is not cured within sixty (60) days.

- (b) Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments or charges in excess of the amounts set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Paragraph 16 hereof.
- (c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation (1) to pay any charges against the Common Areas and/or Common Expense Areas (Item 1g) which are in default and (2) to pay any overdue premiums on hazard insurance for the above areas or to secure new hazard insurance for the above areas on the lapse of a policy. Any Mortgagee making such payment shall be owed immediately

reimbursement by the Corporation.

- (d) Notice of Condemnation or Casualty Loss. Mortgagee shall be timely notified of any condemnation loss which affects a material portion of the “TRACT”. Mortgagees shall also be timely notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Corporation.
- (e) Notice to Insurers and Guarantors. Any guarantor of a first mortgage or any insurer shall, upon notification and request to the Corporation, receive the same notices as are required to be given to Mortgagees.

17. Insurance.

- (a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring, if possible and practical, the Corporation’s improvements within the Common Areas and Common Expense Areas (Item 1g) in an amount consonant with the full replacement value of these improvements. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain “all risk” coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. Such insurance coverage shall be for the benefit of each Owner, and if applicable, the Mortgagee of each Owner upon the terms and conditions hereinafter set forth. All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Corporation as hereinabove set forth shall be paid to it or to the Board of Directors, who shall act as the insurance trustees and hold such proceeds for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Corporation or Board of Directors, as appropriate, and only in accordance with the provisions of this Declaration and any surety bond or bonds obtained by the Board of Directors concerning the officers of the Corporation as provided in the By-Laws shall specifically include protection for any insurance proceeds so received. Such master casualty insurance policy, and “all risk” coverage, if obtained, shall (to the

extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests, and (b) contains an endorsement that such policy shall not be terminated for nonpayment of premiums or for any other reason or shall not be substantially modified without at least ten (10) days prior written notice to Mortgagees and at least ten (10) days prior written notice to the Corporation. Each Owner shall otherwise be solely responsible for loss or damage to his Dwelling Unit, the contents of his dwelling Unit and Lot however caused and his personal property stored elsewhere on the "TRACT" and the Corporation shall have no liability to the Owner for loss or damage to the Dwelling Unit, the contents of any Dwelling Unit or any personal property stored elsewhere on the "TRACT". Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk.

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

necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall inure to the benefit of each Owner, the Corporation the Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.

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

18. Restoration of Common Areas and/or Common Expense Areas (Item 1q) ("Improvements"): In the event of damage to or destruction of any of the "Improvements" herein titled due to fire or any other casualty or disaster, the Corporation shall attempt to promptly cause the same to be repaired and reconstructed to the extent of proceeds of insurance and other funds available but without making the HOA insolvent. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction. In the event the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the "Improvements", or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the "Improvements" so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein. For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the "Improvements" to as near as possible the same condition as they existed immediately prior to the damage or destruction and with the same type of architecture.

19. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, Common Areas and Common Expense Areas (Item 1g) shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and all such covenants and restrictions



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

- (a) All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family.
- (b) No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the Common Areas and/or Common Expense Areas (Item 1g) which will result in a cancellation of insurance or increase in insurance because of any such action, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.
- (c) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit, the Common Areas and/or Common Expense Areas (Item 1g) or on any Lot. The Board of Directors determination as to what is a nuisance shall be conclusive.
- (d) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or placed on the outside walls of any building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any building without the prior consent of the Architectural Review Board.
- (e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or on any Lot or any of the Common Areas and/or Common Expense Areas (Item 1g) except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner and an owner shall be fully liable for any injury or damage to persons or property,

including the Common Areas and/or Common Expense Areas (Item 1g) caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the "TRACT" within ten (10) days after written notice from the Board to the respective Owner to do so.

- (f) The Common Areas and Common Expense Areas (Item 1g) shall be kept free and clear of rubbish, debris and other unsightly materials.
- (g) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the "TRACT".
- (h) No "for sale", "for rent" or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the "TRACT", and Lot or any Dwelling Unit without the prior consent of the Board; provided, however, that the right is reserved by the DECLARANT and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the "TRACT" in connection with any unsold or unoccupied Lots and Dwelling Units.
- (i) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the Common Areas (except where heretofore limited to surrounding Lot owners for specified lakes under Item 1g), or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Areas and/or Common Expense Areas (Item 1g).
- (j) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than ¾ ton), motorcycles, mini bikes, or mopeds shall be permitted, parked or stored anywhere within the "TRACT" except as otherwise specifically permitted by the Board. No repair work shall be done on the "TRACT" on any vehicles, including passenger automobiles.
- (k) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas and/or Common Expense Areas (Item 1g), except with express permission from the Board.
- (l) The Common Areas and Common Expense Areas (Item 1g) shall be used and enjoyed only for

the purposes for which it is designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board including, but not limited to:

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

Private dock facilities may not be installed into the Lake.

No swimming shall be permitted in the Lake.

- (m) No Owner may rent or lease his Dwelling Unit for transient or hotel purposes.
- (n) Any Owner who leases a Dwelling Unit shall lease the entire Dwelling Unit and shall have a written lease which shall provide that the lease is subject to the provisions of the Declaration and any failure of the lessee to comply with the terms of the Declaration, shall be a default under the lease. Notwithstanding anything to the contrary contained herein or in the Articles or By-Laws, including, but not limited to, any covenants and restrictions set forth herein or otherwise, DECLARANT shall have the right to use and maintain any Lots and Dwelling Units owned by DECLARANT and other portions of the "TRACT" (other than individual Dwelling Units and Lots owned by persons other than DECLARANT), all of such number and size and at such locations as DECLARANT in its sole discretion may determine, as DECLARANT may deem advisable or necessary in its sole discretion to aid in the construction of Dwelling Units and the sale of Lots and Dwelling Units or for the conducting of any business or activity attendant thereto, including, but not limited to model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. DECLARANT shall have the right to relocate any or all of the same from time to time as it desires. DECLARANT shall have the right to remove the same from the "TRACT" at any time.

20. Amendment of Declaration.

- (a) Generally Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:
  - (i) Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of the meeting at which the proposed amendment is to be considered.
  - (ii) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors of Owners having in the aggregate at least a majority of the votes of all Owners.
  - (iii) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the By-Laws.

- (iv) Adoption. Any Proposed amendment to this Declaration must be approved by a vote of not less a majority in the aggregate of the votes of all Owners. In the event any Lot or Dwelling Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof.
  - (v) Special Amendments. No amendment to this Declaration shall be adopted which changes (1) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same, or (2) the provisions of this Declaration of Paragraph 17, with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 18 of this Declaration with respect to reconstruction or repair of the Common Areas and Common Expense Areas (Item 1g) in the event of fire or any other casualty or disaster, or (4) the provision of Paragraph 14 of this Declaration establishing the Architectural Review Board and providing for its functions, without, in each and any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.
  - (vi) Additional Special Amendments. No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for, and responsibility for, maintenance, repair and replace of the Common Areas and Common Expense Areas, or (3) right to use the Common Areas and Common Expense Areas, or (4) annexation of property to the "TRACT" (other than as provided in Paragraph 21), or (5) termination of the applicability of this Declaration, or (6) any provisions which are for the express benefit of Mortgagees without the consent of at least two-thirds (2/3rds) of the votes of the Owners for the first ten (10) years after recording of this Declaration and thereafter at least a majority of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages whose mortgage interest have been made known to the Board of Directors as heretofore detailed.
  - (vii) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall be recorded in the office of the Recorder of Marion County, Indiana, and such amendment shall not become effective until so recorded.
  - (viii) Failure of Mortgagee to Respond. Any Mortgagee who receives a written request to approve an amendment and fails to give a negative response within thirty (30) days after receiving such request shall be deemed to have approved such request.
- (b) Amendments by DECLARANT ONLY. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the DECLARANT shall have and hereby reserves the right and power, acting alone and without the consent or approval of the Owners, the Corporation, the Board of Directors, any Mortgagees or any other person to amend or supplement this Declaration at any time from time to time if such amendment or supplement is made (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the

Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements, or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (e) adopt amendments prior to the Applicable Date which are not materially adverse to the owners. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the DECLARANT to vote in favor of, make, or consent to any amendments described in this Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the DECLARANT to vote in favor of, make, execute and record any such amendments. The right of the DECLARANT to act pursuant to rights reserved or granted under this Paragraph shall terminate at such time as the DECLARANT no longer holds or controls title to any part or portion of the "TRACT".

(c) Amendment Prior to the Applicable Date. Notwithstanding anything to the contrary contained herein or in the Declaration, there shall be no amendment of the Declaration prior to the Applicable Date without the consent and approval of DECLARANT.

21. Annexation of "ADDITIONAL TRACT". In addition to the "TRACT", DECLARANT and/or "FEE OWNER" are the fee simple title owners of certain real estate described in the attached Exhibit "B" which incorporated herein by reference and which is located contiguous to the "TRACT". The Exhibit "B" realty is automatically subject to this DECLARATION but not subject to assessments under Article 15 until recorded as a recordable plat but is removable from the terms and conditions of this DECLARATION as hereinafter detailed. Any time prior to 10 years after date of recordation of this Declaration, DECLARANT, without the consent of the Owners may, but is not obligated to, develop the "ADDITIONAL TRACT" or any part thereof

(except as modified by zoning commitments filed relative to such additional tracts) and file one or more Final Plats for such "ADDITIONAL TRACT" or part thereof. Improvements (excluding Dwelling Units) within the area to be annexed must be substantially completed or bonded under the Marion County Subdivision Ordinance prior to annexation. In the event the "ADDITIONAL TRACT" or any part of it is platted in a manner as herein stated, the Owners of such Lots in the "ADDITIONAL TRACT" or parts thereof, shall have the same rights and obligations of the Owners herein, and the Corporation shall have the same jurisdiction and authority over such "ADDITIONAL TRACT" or any part of it in a manner described. DECLARANT may file a Declaration stating that the "ADDITIONAL TRACT" or any part thereof shall not be developed as contemplated herein; provided, however, any part of the "ADDITIONAL TRACT" for which a Plat is not recorded with the Marion County Recorder by the date herein stated, shall be automatically removed from this DECLARATION terms and conditions therefore from the possibility of having a common entity which provides for the maintenance, repair, replacement, administration and operation of such part of the "ADDITIONAL TRACT", unless such is established by the Owner in the "TRACT" and those in the "ADDITIONAL TRACT". Regardless of the method of development of the "ADDITIONAL TRACT" and whether or not all of any part of the "ADDITIONAL TRACT" comes within the jurisdiction of the Corporation or subject to the Declaration, DECLARANT reserves unto itself, its successors and assigns, for the use and benefit of that part of the part of the "ADDITIONAL TRACT" not coming within the jurisdiction of the Corporation or subject to the Declaration and the right and easement to enter upon and if necessary tie into the Common. Areas and Landscape and Non-Access Easement of the "TRACT" to either continue the landscape plan mandated by zoning commitments and/or the surface drainage requirements for storm water management. The assessment which the Owner of each Lot in the "ADDITIONAL TRACT" or part thereof, if within the jurisdiction of the Corporation, shall be obligated to pay equal to that paid by any Owner herein and shall commence on the date of conveyance of such Lot by DECLARANT. No assessment (Regular, Special or otherwise) on any Lot in the "ADDITIONAL TRACT" shall be due until such Lot has been conveyed by DECLARANT or the Dwelling Unit thereon is occupied for residential purposes.

22. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants

of the Lots shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the By-Laws, incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, the By-Laws, and rules and regulations, as each may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or TRACT as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporation, partnership, trusts, associations, or other legal entities who may OCCUPY, use, enjoy or control a Lot or Lots or any part of the "TRACT" in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

23. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees to the extent that such expense is not covered by the proceeds of insurance carried by the Corporation. An Owner shall pay the amount of any increase in insurance premiums occasioned by his misuse of the Common Areas and/or Common Expense Areas.
24. Costs and Attorneys' Fees. In any proceeding arising because of failure of an Owner to make any payments required or to comply with any provision of this Declaration, the Articles of Incorporation, the By-Laws, or the rules and regulations adopted pursuant thereto as each may be amended from time to time, the Corporation shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.
25. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and/or Common Expense Areas or by abandonment of his Lot.
26. Severability Clause. The invalidity of any covenants, restriction, condition, limitation or other provision of this Declaration, the Articles or the By-Laws, shall not impair or affect in any manner the validity,

enforceability or effect of the rest of this Declaration, the Articles, or the By-Laws, and each shall be enforced to the greatest extent permitted by law.

- 27. Pronouns. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires to the contrary, be deemed to refer to and include all genders. And the singular shall include and refer to the plural and vice versa as appropriate.
- 28. Interpretation. The captions and titles of the various articles, sections, subsection, paragraphs and subparagraphs of this Declaration are inserted herein for ease and convenience of reference only and shall not be used as an aid in interpreting or construing this Declaration or any provision hereof.
- 29. The Plat. The Final Plat of the portions of the "TRACT" detailed in Item 3 hereof is incorporated into this Declaration by reference to the Instrument number thereof, filed in the Office of the Recorder of Marion County, Indiana.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed the day and year first above written.

"FEE OWNERS"  
OF EXHIBIT "B" REALTY

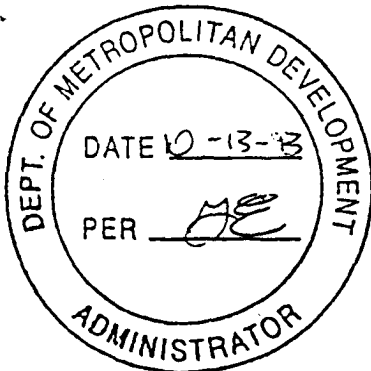
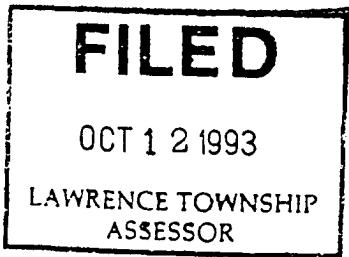
Warren T. Watson  
Warren T. Watson

Delores Watson  
Delores Watson

"DECLARANT FEE OWNERS"  
OF EXHIBIT "A" REALTY

LAND INNOVATORS COMPANY

By: R.N. Thompson  
R. N. Thompson, General Partner



**4 FILED**


OCT 13 1993

[Signature]



STATE OF INDIANA )  
 )SS:  
COUNTY OF )

Subscribed and sworn to before me, a Notary Public, in and for said County and State, personally appeared Warren T. Watson and Delores E. Watson, this 11<sup>th</sup> day of October, 1993

  
\_\_\_\_\_  
Notary Public

DAVID M. CROMPTON  
\_\_\_\_\_  
(Printed)


My Commission Expires:  
June 23rd, 1997

County of Residence: MARION

STATE OF INDIANA )  
 )SS:  
COUNTY OF MARION )

Before me, a Notary Public, in and for said County and State, personally appeared R. N. Thompson, by me known, and by me known to be the General Partner of Land Innovators Company, an Indiana Limited Partnership, who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of Watson Farms Ownership on behalf of said Limited Partnership.

WITNESS my hand and Notarial Seal this 11th day of October, 1993

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
June 23rd, 1997

DAVID M. CROMPTON  
\_\_\_\_\_  
(Printed)

County of Residence: MARION

This Instrument Prepared by:  
Raymond Good, #7201-49  
SCHNORR, GOOD & SCAHILL  
144 North Delaware Street  
Indianapolis, IN 46204-2551  
317/264-3636  
#1-platcove\Watson

## LAND DESCRIPTION

Part of the West Half of the Southwest Quarter of Section 32, Township 17 with Range 5 East of the Second Principal Meridian, Lawrence Township, Marion County, Indiana and described as follows:

Commencing at the Southeast corner of the West Half of said Southwest Quarter; thence North 00 degrees 06 minutes 56 seconds East (an assumed bearing) along the East line of the West Half of said Southwest Quarter a distance of 1318.70 feet to the North line of the South Half of said West Half; thence South 89 degrees 37 minutes 44 seconds West along said North line 144.24 feet to the POINT OF BEGINNING; thence South 00 degrees 24 minutes 03 seconds West 213.31 feet; thence North 39 degrees 37 minutes 44 seconds East 15.30 feet; thence South 00 degrees 06 minutes 56 seconds West 6.70 feet; thence North 89 degrees 37 minutes 44 seconds East 115.70 feet; thence South 00 degrees 16 minutes 01 seconds West 942.69 feet; thence North 70 degrees 41 minutes 47 seconds West 105.10 feet; ,thence South 19 degrees 18 minutes 14 seconds West 126.00 feet; thence North 70 degrees 41 minutes 46 seconds West 125.00 feet; thence South 19 degrees 18 minutes 14 seconds West 56.95 feet to a tangent curve to the left, from which the radius point bears South 70 degrees 41 minutes 46 seconds East; thence Southwesterly along said curve an arc distance of 52.76 feet to a point from which the radius point bears South 77 degrees 07 minutes 41 seconds East, said curve having a radius of 470.00 feet; thence North 77 degrees 07 minutes 41 seconds West 239.94 feet; thence South 39 degrees 37 minutes 54 seconds West 63.00 feet; thence North 00 degrees 22 minutes 06 seconds West 185.00 feet; thence North 39 degrees 37 minutes 54 seconds East 13.93 feet to a tangent, curve to the left., from which the radius point bears North 00 degrees 22 minutes 06 seconds West; thence Easterly and Northerly along said curve an arc distance of 23.56 feet to a point from which the radius point, bears North 89 degrees 37 minutes 54 seconds West, said curve having a radius of 15.00 feet; thence North 00 degrees 22 minutes 06 seconds West 3.41 feet to a tangent curve from which the radius point bears North 39 degrees 37 minutes 54 seconds East; thence Northerly along said curve an arc distance of 35.66 feet to a point from which the radius point bears South 75 degrees 16 minutes 03 seconds East, said curve having a radius of 325.00 feet; thence North 75 degrees 16 minutes 03 seconds West 64.95 feet; thence North 00 degrees 22 minutes 06 seconds West 117.37 feet; thence North 10 degrees 29 minutes 04 seconds East 50.00 feet; thence North 11 degrees 08 minutes 54 seconds East 94.34 feet; thence North 00 degrees 22 minutes 06 seconds West 201.08 feet; thence North 89 degrees 37 minutes 54 seconds East 49.35 feet to a tangent curve, from which the radius point bears North 00 degrees 22 minutes 06 seconds West; thence Easterly along said curve an arc distance of 26.82 feet to a point from which the radius point bears North 12 degrees 39 minutes 47 seconds West, said curve having a radius of 125.00 feet; thence North 77 degrees 20 minutes 13 seconds East 20.82 feet; thence North 12 degrees 39 minutes 47 seconds West 121.22 feet; thence South 81 degrees 16 minutes 41 seconds West 4.85 feet; thence North 00 degrees 33 minutes 59 seconds West 363.00 feet to the North line of the South Half of the West Half of said Southwest Quarter; thence North 89 degrees 37 minutes 44 seconds East along said North line 402.01 feet to the point of beginning and containing 15.379 acres more or less. Subject to all legal easements and rights of way of record.

**EXHIBIT "B"**

**MEMORANDUM OF LAND CONTRACT**

This Memorandum Witnesseth: That for valuable consideration, Warren T. Watson and Delores E. Watson, Husband and Wife ("Vendor") have sold real estate ("Real Estate") in Marion County, Indiana, by Land Contract dated October 9, 1992 to LAND INNOVATORS COMPANY, an Indiana Limited Partnership ("Purchaser") the Real Estate more fully described in Exhibit "A" attached hereto and made a part hereof. Reference is hereby made to this Land Contract for all other terms and conditions of the purchase and sale of the "Real Estate". This Memorandum is executed by the parties and may be recorded for the purpose of giving notice of Purchaser's right to purchase the above described "Real Estate" pursuant to the terms of the referenced Land Contract.

Executed by Vendor this 9<sup>th</sup> day of October, 1992.

Executed by Purchaser this 9th day of October, 1992.

LAND INNOVATORS COMPANY

By: R. N. Thompson

Printed: R. N. Thompson

Capacity: General Partner  
"PURCHASER"

Warren T. Watson  
Warren T. Watson

Delores E. Watson  
Delores E. Watson  
"VENDOR"

RECEIVED  
92 DEC 14 11

Vendor's Acknowledgement

STATE OF INDIANA        )  
                                  )SS:  
COUNTY OF MARION     )

Subscribed and sworn to before me, a Notary Public, in and for said County and State, personally appeared Warren T. Watson and Delores E Watson who acknowledged the execution of the foregoing memorandum of Land Contract, this 9<sup>th</sup> day of October, 1992.

My Commission Expires:  
4-20-03

Notary Public  
Deanna L. Craft  
(Printed)

County of Residence: MARION

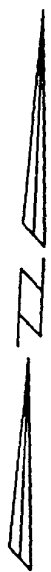
This instrument prepared by Raymond Good, 7201-49, SCHNORR, GOOD & SCAHILL, 144 N. Delaware Street, Indianapolis, IN. 46204-2551 317/264-3636

#1-realesta\watson.memo

## EXHIBIT "B"

### TRACT 1

Part of the West Half of the Northwest Quarter of Section 4, Township 16 North, Range 5 East, part of the Northeast Quarter of Section 5, Township 16 North, Range 5 East, and part of the Southwest Quarter of the Southwest Quarter of Section 32, Township 17 North, Range 5 East, in Marion County, Indiana, described as follows Beginning at the Southwest corner of the Northwest Quarter of said Section 4; thence North 0 degrees 21 minutes 04 seconds West (bearings based on survey of an adjoining parcel by Schneider Engineering Corporation dated April 14, 1987, said parcel described in a Warranty deed to Gene and Thelma Arvin and recorded, as instrument #87-73081 in the Office of the Recorder of Marion County, Indiana) 1233.18 feet to an iron pin set on the west line of said quarter section 1021.30 feet south of the Northwest corner of the Northwest Quarter of said Section 4; thence South 89 degrees 38 minutes 56 seconds West 529.49 feet to an iron pin set; thence, North. 0 degrees 34 minutes 01 seconds West 1976.99 feet to an iron pin set; thence North 89 degrees 37 minutes 54 seconds East 399.80 feet to an iron pin set; thence North 0 degrees 34 minutes 01 seconds West 363.00 feet to a PK nail set on the North line of the Southwest Quarter of the southwest Quarter of said Section 32; thence North 89 degrees 37 minutes 54 seconds East along said north line 416.70 feet a PK nail set 130.00 feet west of the Northeast corner of the Southwest Quarter the Southwest Quarter of Said Section 32; thence South 0 degrees 08 minutes 26 seconds West parallel with the east line of said quarter-quarter section 220.00 feet to an iron pin set, thence North 89 degrees 37 minutes 54 seconds East parallel with the north line of said quarter-quarter section 130.00 feet to an iron pin on the east line of said quarter-quarter section; thence South 0 degrees 08 minutes 26 seconds West 1098.60 feet to the Southeast corner of said quarter-quarter section being North 89 degrees 35 minutes 25 seconds East 1332.32 feet from a Harrison Monument found at the Southwest corner of the Southwest of said Section 32 and South 39 degrees 35 minutes 25 seconds West 1332.32 feet from a Harrison monument found at the Southeast corner of the Southwest Quarter of said Section 32; thence North 89 degrees 35 minutes 25 seconds East 934.49 feet to the Northeast corner of the West Half of the Northwest Quarter of said Section 4; thence South 0 degrees 23 minutes 20 seconds East along the east line of said half-quarter section 1545.34 feet to an iron pin found at the Northeast corner of said Arvin parcel; thence South 88 degrees 05 minutes 32 seconds West 331.73 feet to an iron pin found at the Northwest corner of said Arvin parcel: thence South 0 degrees 05 minutes 12 seconds West 706.10 feet to a PK nail on the South line of said half-quarter section and the Southwest corner of said Arvin parcel; thence South 69 degrees 54 minutes 45 seconds West 996.41 feet to the point of beginning and containing 100.504 acres, more or less. Subject to rights of way for 59<sup>th</sup> Street and 63<sup>rd</sup> Street and all other legal easements and rights of way of record.



WATSON FARMS  
EXHIBIT 'C'