

MASTER DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS OF
HEARTLAND CROSSING

Dated: December 4, 1998

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AND RESTRICTIONS
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THIS MASTER DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS OF HEARTLAND CROSSING (the "Declaration"), is this 4th day of December, 1998, by CEDAR RUN LIMITED, INC., an Indiana corporation, and

WITNESSETH THAT:

WHEREAS, Declarant (as defined herein) is the owner or contract purchaser of the Development (as defined herein);

WHEREAS, Declarant intends by this Declaration (as defined herein) to impose upon the Development mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the Development by the recording of this Declaration;

WHEREAS, Declarant desires to provide a flexible and reasonable procedure for the overall development of the Development and to establish a method for the administration, maintenance, preservation, use, and enjoyment of such properties as are now or may hereafter be subject to this Declaration;

WHEREAS, Declarant anticipates that a number of residential communities will be developed in the Development and that certain aspects of the overall Development will be benefit to such different communities, including, but not limited to, the Community Facilities, the Streets, the Drainage System (all as defined herein), central landscaping features, central signage for the Development including street signage and stop and speed limit signs and common elements related to services to be provided to the residents of all such communities;

WHEREAS, Declarant contemplates that in addition to the covenants, conditions, easements and restrictions imposed hereby and the amenities, improvements and services of common benefit to all residents, such communities within the Development may be subject to further covenants, conditions, easements and restrictions and provided with further amenities, improvements and services of benefit only to the residents of a particular community or communities, and in furtherance thereof, Declarant intends that a Supplemental Declaration (as defined herein) will be recorded making reference to this Declaration and setting forth the various terms and provisions relating to such communities' specific amenities, improvements, services and other matters and Declarant contemplates that each Community (as defined herein) will form a separate Community Association (as defined herein) to carry out the powers and duties delegated to it by the Association and as set forth in the Supplemental Declaration for that Community; and

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

NOW, THEREFORE, Declarant hereby declares that all of the real estate described in Exhibit "A", and any additional property as may by subsequent amendment be added to and subjected to this Declaration, shall be held, sold and conveyed subject to the following covenants, conditions, easements and restrictions which shall "run with the land" and are for the purpose of protecting the value and desirability of and which shall run with, the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in the described Development or any part thereof, their heirs, successors, successors-in-title, and assigns and shall inure to the benefit of each owner thereof. Declarant, for itself and its successors and assigns, specifically reserves unto itself the right and privilege to include Additional Land (as defined herein) within and subject to, the terms and provisions of this Declaration by recording a document with the Recorder of the Appropriate Indiana County, making reference to the terms and provisions hereof and purporting to accomplish such addition of real estate with respect to the provisions hereof.

ARTICLE I

DEFINITIONS

Section 1.1. Additional Land. Additional Land shall mean and refer to additional real property now owned or which may in the future be owned by Declarant subject to Declarant's reserved unilateral right to annex the same within and subject to this declaration as provided elsewhere herein.

Section 1.2. Appropriate County Planning Agency. Appropriate County Planning Agency shall mean and refer to the following three (3) agencies responsible for planning and zoning matters in each agency's respective county: (1) Hendricks County Plan Commission; (2) Metropolitan Development Commission of Marion County, Indiana; and (3) Morgan County Building Commission, their respective successors and assigns.

Section 1.3. Appropriate Indiana County. The Development is located in three Indiana Counties: Marion, Morgan and Hendricks.

Section 1.4. Articles of Incorporation. Articles of Incorporation means and refers to the Articles of Incorporation of the Association or Community Association as the context may indicate, as filed with the Secretary of State of the State of Indiana.

Section 1.5. Association. Association shall mean and refer to the Heartland Crossing Foundation, Inc., or an organization of similar name, formed, or to be formed, as an Indiana not-for-profit corporation, its successors and assigns. The Board of Directors or Board shall mean the elected body of the Association having its normal meaning under Indiana not-for-profit corporation law.

Section 1.6. Bylaws. Bylaws shall refer to the Bylaws of the Association or Community Association as the context may indicate, as the same may exist and be in effect from time to time.

Section 1.7. Common Area. Common Area shall mean all real and personal property now or hereafter owned by or subject to an easement for the common use and enjoyment of all Owners in

the Development. The Common Area to be owned by the Association or TCCD shall be conveyed to the Association or TCCD at any time prior to the last conveyance of a subdivision interest to any Owner by Declarant. By way of example and not by way of limitation, Common Area shall include the Drainage System in the Development including all lakes, retention/detention ponds, spillways, creeks and culverts, all landscaping other than landscaping on any Lot, accent or special effect lighting systems for the development (excluding exterior light fixtures to be installed and maintained by Owners), all Private Streets within the Development, community recreational facilities and such other or further items as shall be shown as Common Area or subject to an easement for stated purposes on the various Plats and Plans filed with the Recorder of the Appropriate Indiana County from time to time with respect to portions of the Development, whether in conjunction with the recordation of a Supplemental Declaration or otherwise.

Section 1.8. Common Expenses. Common Expenses shall mean and include the actual and estimated expenses of operating the Association or payable to TCCD, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association. Common Expenses shall include, without limitation, the actual and estimated cost to the Association for the maintenance, management, operation, repair, improvement and replacement of Common Area, real estate taxes or personal property taxes assessed against any Common Area, as well as any other costs or expense incurred by the Association or TCCD for the benefit of the Common Area and the Owners.

Section 1.9. Community. Community shall mean and refer to separately designated and developed residential areas. In the absence of specific designation of separate Community status, all real estate made subject to this Declaration shall be considered a part of the same Community; provided, however, the Declarant may designate in any Supplemental Declaration adding property to the terms and conditions of this Declaration that such property shall constitute a separate Community or Communities; provided further that, upon approval of two-thirds (2/3) of the Board of Directors, the Board of Directors may also designate Community status to any area of the Development so requesting.

Section 1.10. Community Assessments. Community Assessments shall mean assessments for such expenses as may be provided for herein or in any Supplemental Declaration which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Lots in a given Community against which the specific Community Assessment is levied and for the purpose of maintaining the properties or providing services for the Owners within a given Community, as will be more particularly described in the Supplemental Declaration creating the same. The Community Assessments shall be levied equally against Owners of Lots in a Community, provided that in the event assessments are levied for exterior maintenance of dwellings, or insurance on dwellings, or replacement reserves which pertain to particular dwellings within a given Community (pursuant to a Supplemental Declaration), such assessments (that are for the use and benefit of particular Lots) shall be levied upon a pro rata basis among the benefited Owners.

Section 1.11. Community Association. Community Association shall mean and refer to the homeowner's association formed as an Indiana nonprofit corporation, its successors and assigns, for each Community.

Section 1.12. Community Facilities. Community Facilities shall refer to facilities such as a clubhouse, swimming pool, tennis court(s) and related facilities and equipment, if any, to be located within and to be a part of a particular Community or communities and be subject to an easement for the common use and enjoyment of only Owners in such Community or communities, as determined and provided by Declarant.

Section 1.13. Control Transfer Date. Control Transfer Date shall be the date on which the Declarant is no longer a Class B member of the Association.

Section 1.14. Declarant. Declarant means Cedar Run Limited, Inc., an Indiana corporation, or any other person, firm, corporation or partnership which succeeds to the interest of Cedar Run Limited, Inc., as developer of the Development, as a matter of law or as evidenced by a written instrument of transfer to such effect.

Section 1.15. Development. Development shall mean and refer to the real property described in Exhibit "A", attached hereto and incorporated herein by reference and also, the real property in Morgan County which is described in Instrument #97-14187, D.R. 402, Pages 466-526 filed in the Office of the Recorder of Morgan County, Indiana and as amended, and in Hendricks County which is described in Instrument #97-00020156 filed in the Office of the Recorder of Hendricks County, Indiana and as amended, and such additional real property as may be added in accordance with Article VIII.

Section 1.16. DCC. DCC shall mean and refer to the Development Control Committee established pursuant to the provisions of Article XI hereof.

Section 1.17. Drainage System. Drainage System shall mean and include the retention/detention ponds, storm sewers, subsurface drainage tiles, swales, ditches, pipes, and other structures, fixtures, properties, equipment, and facilities located in, upon, or under the Common Area, Streets, or easements affecting one or more Lots or property located outside the Development, and designed for the purpose of expediting the drainage of surface and subsurface waters from, over, across and under the Development, other than such as may have been dedicated to the public and accepted for maintenance by the appropriate public agency.

Section 1.18. Eligible Mortgage Holder. Eligible Mortgage Holder shall mean a holder, insurer, or guarantor of a first mortgage on a Lot who has requested notice of certain matters from the Association as herein and in the Association's Bylaws provided.

Section 1.19. Eligible Votes. Eligible Votes shall mean those votes available to be cast on the issue at hand. A vote which is for any reason suspended is not available to be cast.

Section 1.20. Lot. Lot shall mean a portion of the Development other than the Common Area intended for any type of independent ownership and use as may be set out in this Declaration and as shall be shown on the Plats and Plans filed with or subsequent to this Declaration, amendments thereto and any Supplemental Declaration. Where the context indicates or requires, the term Lot includes any structure on the Lot.

Section 1.21. Majority. Majority means more than fifty percent (50%) of the total number of eligible groups, Eligible Votes, eligible Owners, or other, as the context may indicate.

Section 1.22. Member. Member shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

Section 1.23. Mortgage. Mortgage means any mortgage, deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

Section 1.24. Owner. Owner shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Development, but excluding any party holding the fee simple title merely as security for the performance of an obligation. Owner shall include the Declarant (but pursuant to Section 10.10 no assessments are payable by Declarant as an Owner except as specifically described therein).

Section 1.25. Person. Person means a natural person, a corporation, a partnership, trustee, or other legal entity.

Section 1.26. Plats and Plans. Plats and Plans shall collectively mean those plats or plans of all or any portion of the Development making reference hereto which have been or hereafter may be recorded in the office of the Recorder of the Appropriate Indiana County, as the same may be amended or supplemented by replats or otherwise.

Section 1.27. Quorum. Quorum shall mean the percent of Eligible Votes entitled to be cast on a matter at any meeting of Members as specified in the Bylaws.

Section 1.28. Special Assessments. Special Assessments shall mean those certain assessments authorized and made pursuant to the terms of Section 10.4 hereof.

Section 1.29. Streets. Streets shall mean all driveways, walkways, roadways, streets and similar areas, designated as such on the Plats and Plans, which have been or hereafter are constructed for the purpose of providing common access for Owners, occupants and their guests and invitees, to any or all Lots, other than those that have been dedicated to the public and accepted for maintenance by the appropriate public agency.

Section 1.30. Supplemental Declaration. Supplemental Declaration shall mean any amendment to this Declaration which adds additional property to that covered by this Declaration or otherwise

imposes additional covenants, conditions, easements or restrictions on all or any portion of the Development. Such Supplemental Declaration may, but is not required to impose, expressly or by reference, additional restrictions and obligations on the land subject to that Supplemental Declaration to the provisions of this Declaration and shall set forth the specific development standards, services to be provided by the Community Association to Owners in the Community being created thereby, the initial level of assessments for Community Assessments associated therewith and such other matters as the Declarant may determine to include therein.

Section 1.31. Tri-County Conservancy District ("TCCD"). TCCD shall provide and construct the sanitary sewers, storm drainage, recreational areas, community pool and common area parkways in the Community. TCCD may bill the Owners a monthly service charge for providing the services associated with the above improvements. This monthly charge shall be in addition to any Assessment discussed in this Declaration.

ARTICLE II

PROPERTY RIGHTS

Section 2.1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of ingress and egress in and to, and, use and enjoyment of the Common Area and the Community Facilities of the Community within which the Owner's Lot is located, which shall be appurtenant to and shall pass with the title to every Lot, subject to:

(i) the right of the Association, TCCD or appropriate Community Association to charge reasonable admission and other fees for the use of any Common Area or Community Facilities and to impose reasonable limits on the number of guests who may use such facilities;

(ii) the right of the Association, TCCD or appropriate Community Association to suspend or terminate a Member's voting rights in accordance with law and the Articles of Incorporation and Bylaws;

(iii) the right to suspend use of any such facilities for any period during which any assessment for Common Expenses or Community Assessments against that Owner's Lot remains unpaid, and for any violation by an Owner of the Association's, TCCD's or appropriate Community Association's rules and regulations, for the duration of the violation and for an additional period thereafter not to exceed (30) days;

(iv) the Declarant's reserved easements as described herein and the right of the Declarant to grant easements in and to the Common Area and Community Facilities to any public agency, authority, or utility for such purposes as benefit only the Development or portions thereof and Owners or Lots contained therein;

(v) the right of the Association, TCCD and of Community Association to borrow money for the purpose of improving the Common Area and Community Facilities, or any

portion thereof, for acquiring additional Common Area or Community Facilities, or for constructing, repairing, or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage conveying all or any portion of the Common Area or Community Facilities, provided two-thirds (2/3) of Eligible Votes shall approve; provided, however, the lien and encumbrance of any such mortgage given by the Association, TCCD or Community Association shall be subject and subordinate to any and all rights, interests, options, easements, and privileges reserved or established in this Declaration for the benefit of Declarant or any Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Owner encumbering any Lot or other property located within the Development; and

(vi) the right of the Association, TCCD and Community Association to dedicate or transfer all or any portion of the Common Area or Community Facilities to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Association or Community Association and TCCD. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the Declarant during any time that the Declarant controls the Association or the Community Association and otherwise by at least two thirds (2/3) of all Eligible Votes.

This Section 2.1 may not be amended without the written consent of Declarant during the time that Declarant owns any property subject to this Declaration. Unless otherwise specified herein, the Associations or TCCD's rights in this Section and all other Sections hereof pertain only to the Common Area and the rights of any Community Association pertain only to the Community Facilities for the Community governed by said Community Association.

Section 2.2. Delegation of Use. No Owner may delegate his or her right of enjoyment to the Common Area or Community Facilities to any other individual without the prior written consent of the Association, TCCD or Community Association.

Section 2.3. Owner's Right to Ingress, Egress and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Area necessary for access to his or her Lot and shall have the right to lateral support for his or her Lot, and such rights shall be appurtenant to and pass with the title to each Lot.

Section 2.4. Rules and Regulations. The Board of Directors of the Association or TCCD may establish reasonable rules and regulations concerning the use of the Common Area, facilities located thereon, and individual Lots in the Development, as appropriate. Copies of such regulations and amendments thereto shall be furnished by the Association or TCCD to all Owners prior to the rule's effective date. Such regulations shall be binding upon the Owners, their families, tenants, guests, invitees, and agents until and unless such regulation, rule, or requirement shall be specifically overruled, canceled, or modified by the Board of Directors of the Association or the Members by two-thirds (2/3) of all Eligible Votes and with the written approval of the Class B Member prior to the Control Transfer Date or TCCD. The Board shall have the authority to impose reasonable monetary fines and other sanctions, and monetary fines may be collected by lien and foreclosure, as provided in Article X. In

addition, the Association, through its Board, or TCCD, may, by contract or other agreement, enforce county ordinances or permit the Appropriate Indiana County to enforce ordinances affecting the Development for the benefit of the Association and its Members or TCCD.

Any playground or other play areas or equipment furnished by Declarant, the Association, TCCD or the Community Association, or others with the consent of Declarant, upon the Common Area or otherwise within the Development, shall be used at the risk of the user, and Declarant, the Association, TCCD and the Community Association shall not be held liable to any person or entity for any claim, damage, liability or injury occurring thereon or related to use thereof.

Section 2.5. Declarant's Reserved Easement. Notwithstanding any provisions contained in the Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a nonexclusive, perpetual right, privilege, and easement with respect to any property in the Development, for the benefit of Declarant and its successors and assigns over, under, in, and on the Development, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment and otherwise dealing with the Development and any other property now owned or which may in the future be owned by Declarant. The reserved easement shall constitute a burden on the title to all or any portion of the Development and specifically includes, but is not limited to:

(i) the right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on, and in all or any portion of the Development; and the right to tie into any portion of the Development with driveways, parking areas, Streets, the Drainage System and walkways; and the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over all or any portion of the Development;

(ii) the right to construct, install, replace, relocate, maintain, repair, use and enjoy signs, model residences, sales offices, construction offices and business offices as, in the sole opinion of Declarant, may be required, convenient or incidental to the construction and sale by Declarant of residences in all or any portion of the Development or in any portion of the Additional Land; and

(iii) the right to maintain a sales and marketing office for the Development within the Common Area and/or Community Facilities without cost to Declarant until Declarant no longer owns any Lots in the Development.

No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property within the Development, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a quitclaim deed from Declarant releasing such right, privilege, or easement by express

reference thereto with respect to all or any portion of the Development. Declarant may grant to a builder of Lots within the Development similar rights as granted to Declarant under (ii) and (iii) above.

This Section 2.5 may not be amended without the advance written consent of Declarant as long as Declarant owns one or more Lots.

Section 2.6. Character of the Development.

A. Use of Lots.

(i) Except as may be otherwise expressly provided in this Declaration, each Lot shall be used for residential purposes only. No business buildings shall be erected on said Lots, and no business may be conducted on any part thereof, other than the home occupations permitted in the Swelling District Zoning Ordinance of the Appropriate Indiana County, as amended from time to time. Lease or rental of a Lot or any building thereon for residential purposes for a minimum of twelve (12) months shall not be considered to be a violation of this covenant, so long as the lease is in compliance with reasonable rules and regulations as the Board of Directors may promulgate, or in the absence of such rules and regulations, with the prior written approval of the Board. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration, the Bylaws, and the rules and regulations adopted hereunder.

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

B. Use of Common Areas and Community Facilities. No planting or gardening shall be done, and no fences, hedges, walls or any other structure or planting shall be erected or maintained upon the Common Area or Community Facilities, except in accordance with the initial construction of the improvements located thereon by the Declarant or as approved by the Association's Board of Directors or their designated representatives or TCCD. No antennas may be erected upon the Common Area or Community Facilities, except the Association may erect a master antenna serving the Members. Except for the right of ingress and egress, the Owners of Lots may use the property outside their respective Lots only in accordance with reasonable regulations as may be adopted by the Association's Board of Directors or TCCD or as is expressly provided herein. Specifically, restrictions on use of lakes and ponds, if any, on the Development shall be set forth in Supplemental Declarations

with respect to the Community in which such lakes and ponds are located or to which they are contiguous, and otherwise as may be implemented by the Board. It is expressly acknowledged and agreed by all parties concerned that this Section 2.6 is for the mutual benefit of all Owners and is necessary for the protection of all Owners.

C. Signs. Except as herein provided for Declarant, no signs of any type whatsoever, billboards, unsightly objects, or nuisances shall be erected, placed, or permitted to remain on the Development, other than signage provided by Declarant (before the Control Transfer Date) or by the Association or TCCD (after the Control Transfer Date) and approved by the DCC, and signs that are approved by the DCC and are erected by a builder of multiple lots in the Development (a "Builder").

D. Storage and Parking of Vehicles. There shall be no outside storage or parking upon any Lot, the Common Area or Community Facilities of any automobile, commercial vehicle, truck, tractor, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other transportation device of any kind, except within the parking spaces in the Owner's garage or the driveway on a Lot and for visitors temporarily parking in spaces and in accordance with rules and regulations designated and promulgated by the Board. No boats shall be stored in driveways or side yards. No Owners or tenants shall repair or restore any vehicle of any kind upon any Lot, Common Area or Community Facilities, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility. No garage may be altered in such a manner that the number of automobiles which may reasonably be parked therein after the alteration is less than the number of automobiles that could have been reasonably parked in the garage as originally constructed.

No Street Parking; No Semi-Tractor Trailers. No motor vehicle shall be continuously or habitually parked on any street or public right-of-way in the Development, it being the intent of Declarant and this Declaration that vehicles be kept in driveways and garages. No semi-tractor trailers, or other large trucks, vans or other vehicles as determined by Declarant in its sole discretion, shall be permitted in any Community or otherwise within the development, except for limited periods as determined by Declarant in its sole discretion for moving vans being utilized by residents for moving in or out of a residence, and except for such construction, delivery or other vehicles as Declarant may permit from time-to-time in its sole discretion.

E. Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on the Development, except that normal household pets in reasonable numbers may be kept in residences subject to rules and regulations adopted by the Association through its Board of Directors, provided that such pets are not kept, bred, or maintained for any commercial purpose. The Board shall have the absolute power to prohibit a pet from being kept on any Lot in the Development, including inside residences constructed thereon. No doghouses, dog runs or other pet enclosures shall be constructed or located on any Lot without the prior written approval of the DCC.

The Lot Owner keeping any pets shall keep the Lot free of pet waste and feces, and any person in charge of a dog, cat or other pet in the Common Area shall keep the pet on a leash and dispose of any feces dropped by the pet, in a prompt and sanitary manner; provided, that the foregoing shall not

be construed to permit any person in charge of a pet or other animal to take the pet or animal on private property, without the consent of the property owner. In addition to such other remedies as may be available, violation of this Section by any Lot Owner or resident of the Development may result in the suspension of voting rights of a Lot Owner in the Community Association and suspension of the rights to use the recreational facilities and other common amenities of the Development.

F. Nuisances. No outside toilets shall be permitted on any Lot in the Development (except during a period of construction and then only with the consent of the DCC), and no sanitary waste or other wastes shall be permitted to enter the storm drainage system. No discharge from any floor drain shall be permitted to enter into the storm drainage system. No noxious or offensive activities shall be carried on any Lot in the Development, nor shall anything be done on any of said Lots that shall become or be an unreasonable annoyance or nuisance to any Owner of another Lot in the Development. By purchase of a Lot, each Owner agrees that any violation of this paragraph constitutes a nuisance which may be abated by Declarant, the Association, or any Owner in the Development in any manner provided at law or in equity. The cost or expense of abatement, including court costs and attorneys' fees, shall become a charge or lien upon the offending Owner's Lot, and may be collected (i) in any manner provided by law or in equity for collection of a liquidated debt, or (ii) by foreclosure of said lien in the manner provided for in Section 10.6 for the lien of assessments. Neither the Declarant, nor any officer, agent, employee or contractor thereof, the Association, or any Owner enforcing the provisions of this paragraph shall be liable for any damage which may result from enforcement hereof.

G. Garbage, Trash and Other Refuse. No Owner of a Lot in the Development shall burn or permit the burning out-of-doors of garbage or other refuse, nor shall any such Owner accumulate or permit the accumulation out-of-doors of such refuse on his Lot except as may be permitted below. All dwellings built in the Development shall be equipped with a garbage disposal unit. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground or shall be so placed and kept as not to be visible from any street within the Development at any time, except at the time when refuse collections are being made.

H. Model Homes. No Owner of any Lot in the Development other than Declarant or persons having the written permission of Declarant shall build or use, or permit the building or use upon any such Lot of any dwelling that is to be used as a model home or exhibit house.

I. Temporary Structures. No temporary house, trailer, tent, garage, mini-barn or other out building shall be placed or erected on any Lot, nor shall any regular overnight camping be permitted on any Lot.

J. Utility Services. No utility services will be installed under any paved areas in the Development, except by jacking, drilling, or boring, unless specifically approved by the Declarant (or, after Declarant turns over control of the Association, by the DCC). All utility facilities in the Development will be underground, except where required to be placed above ground by the individual utility supplier.

K. Wells and Septic Tanks. No water wells shall be drilled on any of the Lots in the Development without the approval of the DCC. No septic tanks shall be installed on any of the Lots, in any of the Common Areas or the Community Facilities.

L. Antennas and Solar Heat Panels. Except as approved by the DCC, no exposed antennas, satellite dishes (larger than twenty-four (24) inches) or solar heat panels shall be allowed on any Lot or on any residence on any Lot which is visible from outside such residence.

M. Mailboxes. The DCC shall select and designate a standard mailbox and post to be used on the Lots. All repairs and replacements to such standard mailboxes shall be consistent in color, quality and appearance with the original mailbox and post.

N. Accessory Outbuildings Prohibited. No accessory outbuildings, including mini-barns, shall be erected on any of the residential Lots without prior written approval of the DCC.

O. Occupancy or Residential Use of Partially Completed Dwelling Houses Prohibited. No dwelling house constructed on any of the residential Lots shall be occupied or used for residential purposes or human habitation until it shall have been substantially completed for occupancy in accordance with the approved building plan. The determination of whether the house shall have been substantially completed for occupancy shall be made by the building inspector of the governmental entity having jurisdiction over the Development and such decision shall be binding on all parties.

P. Other Restrictions. All tracts of ground in the Development shall be subject to all covenants, conditions, easements, restrictions and limitations of record, and to all governmental zoning authority and regulations affecting the Development, all of which are incorporated herein by reference.

Q. Fences, Light Fixtures, Etc. In order to preserve the natural quality and aesthetic appearance of the existing geographic areas within the Development, any fence, basketball goal, swimming pool, hot tub, play structure (such as swing set) or other exterior structure must be approved by the DCC as to size, location, height and composition before it may be installed. Any fencing in the Development will be designed and installed to be as harmonious as possible with the architectural character of the Community. No fence or screen will be approved if its installation will obstruct necessary site lines for vehicular traffic. Undue obstruction of view or other amenities from adjoining properties will be taken into consideration by the DCC when reviewing for approval. Fences in general shall not be located any closer to the front of the home than the rear foundation line of the home. The DCC will discourage fencing of the entire back yard due to the effect that this fencing may have on the feeling of spaciousness desired by other property owners. Fences may be privately installed but must be constructed to professional levels of quality. Non-professionally installed fences will be inspected by the DCC after completion in order to insure that the final product is of a professional quality and final approval of the fence shall be deemed withheld until successful completion of this final review.

No outside clothes lines shall be erected or placed on any Lot or attached to any residence on any Lot within the Development.

(a.) Height Restriction. DCC will approve fences up to four (4) feet in height which otherwise meet these guidelines. The DCC will give consideration, however, to a variance in this height limit where clearly unique circumstances exist. The use of six (6) foot fences around small patio areas of a backyard or sideyard of a home in order to secure privacy for the immediate patio area will be permitted. The specific fence height restrictions are as follows:

(i) Property fencing and walls above grade shall not exceed four (4) feet above grade unless otherwise approved by the DCC.

(ii) The DCC will not approve any proposed fence which exceeds four (4) feet in height unless the rear line of that Lot offers some circumstance clearly unique to that Lot.

(iii) Patio screens/privacy fences shall not exceed six (6) feet in height.

(b.) Materials and Finish.

(i) Wood fencing or screening will be approved if the design is in conformity with the architectural design of the Community, and either (i) painted or stained to match the exterior colors of the home, or (ii) have a natural wood finish.

(ii) The DCC will not approve an application for the installation of a chain link or other galvanized metal fencing unless it is vinyl coated or covered with similar coating material and black in color.

R. Damaged Structures. No improvement which has partially or totally been destroyed by fire or otherwise shall be allowed to remain in such state for more than three (3) months from the time of such destruction or damage.

S. Prohibition of Used Structures. All structures constructed or placed on any Lot in the Development, including play structures, shall be constructed with substantially all new materials, and no used structures shall be relocated or placed on any such Lot without the prior written approval of the DCC.

T. Maintenance of Lots and Improvements. Unless the Association is obligated to perform the same, the Owner of any Lot in the Development shall at all times maintain the Lot (and to the extent required by the restrictions contained elsewhere herein or in the Plats and Plans, Common Area adjacent to such Lot) and any improvements situated thereon in such a manner as to prevent the same from becoming unsightly and, specifically, such Owner shall:

(i) Mow and care for the lawn at such times as may reasonably be required in order to prevent the unsightly growth of vegetation and weeds;

(ii) Remove all debris or rubbish;

(iii) Prevent the existence of any other condition that reasonably tends to detract from or diminish the aesthetic appearance of the Development. Gardens shall be allowed, but no plants may exceed 24 inches in height;

(iv) Cut down and remove dead trees; and

(v) Keep the exterior of all improvements in such a state of repair or maintenance as to avoid their becoming unsightly.

U. Modular or Mobile Homes. No Modular or Mobile Homes shall be permitted in the Development.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

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

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

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

(ii) When Class B Member voluntarily surrenders its Class B membership, or

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

Section 3.3. Board of Directors. Subsequent to the Control Transfer Date, the Board of Directors of the Association shall consist of one member of the Board of Directors of each Community Association as prescribed by the Association's Bylaws. The Board of Directors shall manage the affairs of the Association. The initial Board of Directors shall be appointed by Declarant and shall manage the affairs of the Association until the Control Transfer Date.

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

Section 3.5. Responsibilities of the Association. The Association is hereby authorized to act and shall act on behalf of, and in the name, place, and stead of, the individual Owners in all matters pertaining to the maintenance, repair, and replacement of the Common Areas, the determination of Common Expenses, the collection of annual assessments and Special Assessments, and the granting of any approvals whenever and to the extent called for by this Declaration for the common benefit of all such Owners. The Association shall also have the right, but not the obligation, to act on behalf of any Owner or Owners in seeking enforcement of the terms, covenants, conditions and restrictions contained in this Declaration. Neither the Association nor its officers or authorized agents shall have any liability whatsoever to any Owner for any action taken under color of authority of this Declaration or for any failure to take any action called for by this Declaration, unless such act or failure to act is in the nature of a willful or reckless disregard of the rights of the Owners or in the nature of willful, intentional, fraudulent, or reckless misconduct. The Association shall procure and maintain insurance in accordance with the provisions of Article V hereof. The Association may contract for such services as management, snow removal, security control, trash removal, and such other services as the Association deems necessary or advisable.

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

ARTICLE IV

MAINTENANCE

Section 4.1. Maintenance.

(a) The Association or TCCD shall maintain and keep in good repair the Common Area. The maintenance of the Common Area shall be deemed to include, but not be limited to, maintenance,

Streets, Common Area parking spaces, bike paths, walks, Drainage System improvements, the accent or special effect lighting system, central signage for the Development including street signage and other improvements situated upon the Common Area, but shall specifically exclude Community Facilities. The Association shall repair or replace any street sign that has incurred substantial damage or has been destroyed or removed within ten (10) business days of notice of such damage, destruction or removal.

(b) The assessment for Common Expenses shall be separate and distinct from the assessment for the Community Assessments with the intention being that all Owners in the Development shall be assessed on a pro-rata basis for the Common Expenses associated with the Common Area while Owners in the different Communities will be assessed in addition thereto the Community Assessments which relate to the services and amenities associated with such Community as set forth in the Supplemental Declaration associated therewith. Each Lot shall be subject to a lien for Community Assessments to the same extent and in the same manner as such Lot is subject to a lien for assessments for Common Expenses as set forth herein.

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

(d) The cost of snow removal and landscaping maintenance in excess of amounts budgeted therefor shall be paid by the Owners (on the same basis as assessments for Common Expenses are allocated to the Owners in accordance with Section 10.3 hereof) by a Special Assessment. In the event the Association enters into contracts for snow removal and landscaping maintenance while Declarant controls the Association, the Association shall indemnify and hold Declarant harmless from all liability and obligations with respect thereto. This Section 4.1(d) is included herein in recognition of the fact that the costs of snow removal and landscaping maintenance for the Development may substantially exceed amounts budgeted therefor by the Association due to inordinate snow fall, an inordinate number of snow falls during any season, general weather conditions, agricultural conditions and amount of use. Nothing contained herein shall be construed to require that the Association provide snow removal

service for the Development. In the event snow removal service is to be provided for the Development an amount therefore shall be included in the annual budget and collected as a Common Expense with the understanding that a Special Assessment may be necessary in the event the amount budgeted therefor is insufficient to defray the actual snow removal costs.

ARTICLE V

INSURANCE

Section 5.1. Insurance.

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

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

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

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

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

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

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

(v) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Appropriate Indiana County.

(vi) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

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

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

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

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

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

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

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

Section 5.2. Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that such Owner shall carry blanket all-risk casualty insurance on such Owner's Lot and structures constructed thereon unless covered by the Community Association. Each individual Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction, the individual Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed and the individual Owner determines not to rebuild or to reconstruct the individual Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction. The Association may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Lot and the standard for returning the Lot to its natural state in the event the Owner decides not to rebuild or reconstruct.

Section 5.3. Disbursement of Proceeds. Proceeds of insurance policies written in the name of the Association shall be disbursed as follows:

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

(b) If it is determined that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 5.3(a).

Section 5.4. Damage and Destruction.

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

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Class B Member and at least seventy-five percent (75%) of the Eligible Votes shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association

within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

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

Section 5.5. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall use general funds or seek a special assessment as permitted in Section 10.4.

ARTICLE VI

NO PARTITION

Section 6.1. No Partition. Except as is permitted in this Declaration or any Supplemental Declaration, there shall be no physical partition of the Common Area or Community Facilities or any part thereof, nor shall any person acquiring any interest in the Development or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 5.3 in the case of damage or destruction, or unless the applicable portions of the Development have been removed from the provisions of this Declaration. This article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VII

CONDEMNATION

Section 7.1. Condemnation.

(a) Whenever all or any part of the Common Area or Community Facilities shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association or appropriate Community Association (in case of Community Facilities) as Trustee for all Owners (or Owners in the appropriate Community in case of Community Facilities), to be disbursed as set forth in Section 7.1(b) hereof.

(b) If the taking involves a portion of the Common Area of Community Facilities on which improvements have been constructed, then, unless within sixty (60) days after such taking the Class B Member and seventy-five percent (75%) of the Eligible Votes shall otherwise agree, the Association or appropriate Community Association shall restore or replace such improvements so taken on the remaining land included in the Common Area or Community Facilities to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association or appropriate Community Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area or Community Facilities, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association or appropriate Community Association and used for such purposes as the Board of Directors of the Association or appropriate Community Association shall determine.

ARTICLE VIII

ANNEXATION OF ADDITIONAL PROPERTY

Section 8.1. Annexation without Approval of Owners.

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

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

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

Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

Section 8.2. Acquisition of Additional Common Area. Declarant may convey to the Association or TCCD additional real estate, improved or unimproved, which upon conveyance or dedication shall be accepted by the Association or TCCD and thereafter shall be maintained by the Association or TCCD as a Common Expense for the benefit of all Owners.

Section 8.3. Amendment. This Article shall not be amended without the written consent of Declarant, so long as the Declarant owns any property described Exhibit "A" or Exhibit "B" attached hereto.

Section 9.1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto, if any), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions of this Declaration and the Bylaws.

Section 9.2. Services. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Development, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration. The Association may, but shall not be required to, arrange as an Association expense with third parties to furnish water, sewer service, snow removal, security, lawn and landscaping service and other common services to each Lot.

Section 9.3. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests located within the properties described in Exhibit "A" or Exhibit "B" attached hereto or hereafter annexed into the Development and conveyed to it by the Declarant.

Section 9.4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration, the Articles of Incorporation or the Bylaws, and every other right or privilege reasonably to be implied for the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 9.5. Self Help. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Lot or any portion of the Common Area or Community Facilities to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, or the use restrictions. Unless an emergency situation exists, the Board shall give the violating Lot Owner five (5) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees and paraprofessional fees actually incurred shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

Section 9.6. Right of Entry. The Association shall have the right in addition to and not in limitation of all rights it may have, to enter into structures and upon Lots for emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firefighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner or occupant of the Lot.

ARTICLE X

ASSESSMENTS

Section 10.1. Purpose of Assessment. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupant of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors. Community Assessments shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots within a given Community, as will be more specifically described in the Supplemental Declaration dealing with such Community. The word "assessments" as used herein shall mean all assessments referred to herein for Common Expenses including Special Assessments.

Section 10.2. Creation of Assessments.

(a) There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. Assessments for Common Expenses shall be allocated among all Owners within the Association as described in Section 10.3 hereof and shall be for expenses determined by the Board to be for the benefit of the Association as a whole. Community Assessments shall be levied against Lots in a particular Community in those circumstances where services are provided pursuant to a Supplemental Declaration which benefit less than the Association as a whole. Community Assessments shall be in such amounts and for such purposes permitted as set forth in the Supplemental Declaration relating to the applicable Community. Each Owner, by acceptance of his or her deed, is deemed to covenant and agree to pay all assessments and Community Assessments created or referenced herein. All such assessments and Community Assessments, together

with interest, not to exceed the maximum legal rate, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees and paraprofessional fees actually incurred, and any other amounts provided or permitted by law shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment and Community Assessment is made.

(b) Each such assessment, together with interest, costs, and reasonable attorney's fees and paraprofessional fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, monthly, quarterly, semi-annually or annually and acceleration of the annual assessment for delinquents. Unless the Board otherwise provides, all assessments shall be paid annually.

Section 10.3. Computation of Assessment.

(a) It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the Membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall list Common Expenses. Each Owner of any lot in the Development hereby covenants and agrees to pay to the Association its allocated share (the "Allocated Share") of the annual assessments for Common Expenses for the Development, as fixed, established and determined from time to time as herein provided. The Allocated Share of each Owner in the Development shall be determined by the Declarant and shall be based upon a combination of the following factors: (i) the projected number of Lots in the Development; (ii) the actual or projected purchase price and/or value of each Lot and any residence thereon; (iii) the square footage of each Lot; (iv) the percentage of the Common Area located within and utilized by a particular Community; (v) the number of Lots owned by Owners other than the Declarant; and (vi) any other factor which the Declarant may determine, from time to time, is in the best interest of Declarant and the Development. The method by which the Declarant allocates the Common Expenses among Owners may be changed from time to time prior to the Control Transfer Date as changes occur in the six (6) factors set forth above. The method of computing each Owner's Allocated Share that is used by the Declarant on the Control Transfer Date shall be the method used by the Board subsequent to the Control transfer Date unless a change in method is approved by two-thirds (2/3) of all Eligible Votes. In addition, each Owner covenants and agrees to pay to the Association his or her share of Community Assessments as more specifically set forth in the Supplemental Declarations dealing with the various Communities in the Development. The Board shall cause a copy of the budget, the amount of the assessments to be levied against each Lot for the following year and a description of the method used in determining the assessments to be delivered to each Owner at least fifteen (15) days prior to the meeting. Each segment of the budget including, without limitation, the assessments for Common Expenses shall become effective unless disapproved at the meeting by a vote of at least two-thirds (2/3) of a Quorum of the Members.

(b) Notwithstanding the foregoing, however, in the event that the proposed budget or the assessments for Common Expenses are disapproved in accordance with 10.3(a), or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget (or such portion thereof or assessments as shall have been disapproved in accordance with the foregoing) shall have been determined as provided herein, the budget (or applicable portion thereof or assessments) in effect for the then current year shall continue for the succeeding year.

(c) In the event that the amounts actually expended by the Association for Common Expenses in any fiscal year exceed the amounts budgeted and assessed for Common Expenses for that fiscal year, the amount of such deficit shall be carried over and become an additional basis for assessments for the following fiscal year, except that so long as the Declarant controls the Association, and subject to Declarant's rights to impose Special Assessments as described in Section 4.1(d) hereof, Declarant may, but shall be under no obligation, to fund such deficit; provided, however, that Declarant shall be reimbursed by the Association for any deficits so funded, together with interest at ten percent (10%) per annum until so reimbursed, from available surpluses in later years or through Special Assessments. Thereafter, such deficit may be recouped either by inclusion in the budget for annual assessments or by the making of one or more Special Assessments for such purpose, at the option of the Association. In the event that the amounts budgeted and assessed for Common Expenses in any fiscal year exceed the amount actually expended by the Association for Common Expenses for that fiscal year, an allocable share of such excess (based on the amounts originally levied as assessments) shall be a credit against the assessments due from each Owner for the next fiscal year(s); provided, that Declarant shall first be reimbursed for deficits previously paid, with interest, as required above before such excess shall be so credited to Owners.

Section 10.4. Special Assessments. In addition to the other assessments authorized herein, the Association may levy Special Assessments in any year. So long as the total amount of Special Assessments allocable to each Lot does not exceed \$100 in any one fiscal year, the Board may impose the Special Assessment. Any Special Assessment which would cause the amount of Special Assessments allocable to any Lot to exceed this limitation shall be effective only if approved by two-thirds (2/3) of a Quorum of the Members. Special Assessments shall be paid as determined by the Board, and the Board may permit Special Assessments to be paid in installments extending beyond the fiscal year in which the Special Assessment is imposed. The dollar and percentage limitations contained in this Section 10.4 shall not apply to assessments levied pursuant to Section 4.1(d) hereof, and the total of Special Assessments hereunder shall be calculated without inclusion of any assessments levied pursuant to Section 4.1(d) hereof.

Section 10.5. Lien for Assessments.

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

amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument. Also, such liens shall be extinguished upon foreclosure or a deed in lieu of foreclosure.

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

Section 10.6. Effect of Nonpayment of Assessments: Remedies of the Association.

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

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

Section 10.7. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost for all the Common Areas. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association as shown on the capital budget, with respect to both amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment for Common Expenses as

provided in Section 10.3. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

Section 10.8. Subordination of the Lien to First Deeds of Trust and First Mortgages. The lien of the assessments, including interest, late charges, costs (including attorneys' fees and paraprofessional fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer (subject to the right of the Association to payment out of available foreclosure sale proceeds). No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the mortgagee of a first Mortgage of record or other purchaser of a Lot obtains title, his or her successors and assigns shall not be liable for the share of the Common Expenses by the Association chargeable to such Lot which become due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of Common Expenses shall be deemed to be Common Expenses collectible from all the Lots, including such acquirer, his or her successors and assigns.

Section 10.9. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to Lots generally in January, 1999, and as to a particular Lot on the first day of the month following the conveyance of such Lot by the Declarant to a Builder and/or Owner and shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year and billed to the Builder in the Closing Statement between the Builder and the Developer. The Developer shall pay the assessment collected from the Builder to the Association. The date any Lot becomes subject to assessment hereunder shall be the date on which such Lot is transferred by Declarant to a Builder and/or Owner; provided, however, that Declarant may, in its sole and absolute discretion delay the starting date for assessments for as long as Declarant shall deem appropriate in its sole and absolute discretion but assessments shall in all events be payable commencing on the first day of the first month following the date the Lot is occupied for the residential purposes or is suitable for such occupancy as evidenced, for example, by the appropriate official of the Appropriate Indiana County or an architect issuing a certificate of occupancy or its equivalent stating that the residential structure on such Lot is substantially complete and available for occupancy.

Section 10.10. Assessments Due From Declarant.

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

(b) Notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called in-kind contribution). The amount by which monetary assessments

shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

ARTICLE XI

ARCHITECTURAL STANDARDS

Section 11.1. Architectural Standards Jurisdiction. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the Development Control Committee established herein. The DCC shall have the right to unilaterally promulgate, modify, and amend at any time and from time to time, on behalf of the Board of Directors and the Association, the architectural guidelines and standards per Exhibit "C" attached which shall be binding on all Owners of Lots within a Community or within the Development in its entirety, as determined in the reasonable discretion of the DCC. Such architectural guidelines and standards and amendments thereto may be recorded in the Office of the Recorder of the Appropriate Indiana County by the Declarant until the Control Transfer Date and subsequent thereto by the Association.

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, and no planting or removal of plants, trees, or shrubs, fences, walls or other structures shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the DCC has been obtained.

Section 11.2. New Construction. The DCC shall have exclusive jurisdiction over all original construction on any portion of the Development. The DCC shall prepare and, on behalf of the Board of Directors, shall promulgate design guidelines and application procedures. The standards and procedures shall be those of the Association, and the DCC shall have sole and full authority to prepare and to amend the standards and procedures. It shall make both available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Development and who shall conduct operations strictly in accordance therewith. Until all the real estate included in the Development has been conveyed by Declarant to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the DCC, which shall consist of at least three (3), but no more than five (5), persons. There shall be no surrender of this right prior to that time, except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the DCC.

Section 11.3. Modifications. The DCC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Lots or structures thereon and the open space, if any, appurtenant thereto; provided, however, the DCC may delegate this authority to the appropriate board or committee of any residential association subsequently created or subsequently subjected to this Declaration so long as the DCC has determined that such board or committee has in force review and enforcement practices, procedures and appropriate standards at least equal to those of the DCC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her residence, or to paint the interior of his or her residence any color desired.

Section 11.4. Procedures for Approval. As to Builders, each such Builder shall submit two (2) complete sets of plans and specifications (meeting the requirements set forth below) for each model of home to be built by Builder in the Development to the DCC for approval. Once a model has been approved, approval is not necessary for any home that is built in compliance with the plans and specifications for such model. For any other construction, approvals required by this Article shall be obtained only after written application has been made to the DCC by the Owner of the Lot requesting authorization (or such Owner's duly authorized representative). Such written application shall be in the manner and form prescribed from time to time by the DCC and shall be accompanied by two (2) complete sets of plans and specifications for any such proposed construction, improvement or modification. Such plans shall include plot plants showing the location of all improvement existing upon the Lot and the location of the improvements proposed to be constructed or placed upon the Lot, each properly and clearly designated, if applicable. Such plans and specifications shall set forth the color and composition of all exterior materials proposed to be used and any proposed landscaping, together with any other material or information which the DCC may require. All plans and drawings required to be submitted to the DCC shall be drawn to such scale as the DCC may require. There shall also be submitted, where applicable, the permits or plat plans which shall be prepared by either a registered land surveyor, engineer or architect. Plat plans submitted for improvement location permit shall bear the stamp or signature of the DCC acknowledging the approval thereof. DCC shall have up to five (5) days for the approval or rejection of submitted plans. See Exhibit "C" attached for DCC guidelines.

Section 11.5. Power of Disapproval. The DCC may refuse to grant approvals required under this Article when:

(a) The plans, specifications, drawings or other materials submitted are themselves inadequate or incomplete, or show the proposed improvements to be in violation of these restrictions or the requirements of the applicable Supplemental Declaration;

(b) The design or color scheme of a proposed repainting, modification or improvement is not in harmony with the general surroundings of the Lot, with adjacent buildings or structures, or with general standards for such Community, all as determined in the sole discretion of the DCC; or

(c) The proposed improvement, construction or modification, or any part thereof, would be contrary to the interests, welfare or rights of all or any part of the other Owners, all as determined in the sole discretion and opinion of the DCC.

Section 11.6. Liability of Committee. Neither the DCC nor any agent thereof, nor Declarant, shall be responsible in any way for any defects in any plans, specifications or other material submitted to it, nor for any defects in any work done according thereto, nor for any damages associated with their approval or disapproval of any matters subject to this Article.

Section 11.7. Inspection. The DCC or its duly authorized agents, may inspect work being performed with their permission to assure compliance herewith, the requirements of the applicable Supplemental Declaration and any applicable regulations of the Association, and an easement for such inspection is hereby reserved over and upon each and every Lot in the Development.

Section 11.8. Declarant Improvements. The DCC shall have no powers with respect to any construction, improvements or modifications undertaken by the Declarant (or any assignee of Declarant if the Declarant has approved the plans therefor) or any improvements approved by Declarant at any time.

Section 11.9. Remedies for Failure to Obtain Approval. In the event any construction or modifications are made without first obtaining approval of the DCC as required herein or any construction is being performed other than in accordance with DCC approved plans and architectural guidelines and standards, the Declarant, the Association and the DCC shall have the powers of enforcement granted to the Association generally for purposes of this Declaration and may require any modifications, construction, changes or improvements undertaken or installed without or contrary to the approval of the DCC and such architectural guidelines and standards to be removed or renovated by whatever means the Declarant, the Association and/or DCC deem appropriate, with the costs thereof, including costs of collection and attorneys fees and paraprofessional fees to become a lien against the defaulting Owner's Lot in the manner described in Section 10.5 hereof.

ARTICLE XII

MORTGAGEE RIGHTS

Section 12.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number), (therefore becoming an Eligible Mortgage Holder), will, upon payment of the reasonable expense of the Association associated therewith, be entitled to timely written notice of:

(a) any proposed termination of the Association;

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

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

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

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

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1. Duration. The provisions of this Declaration shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law; provided, however, so long as Indiana law limits the period during which covenants restricting lands to certain uses may run, provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by any such law, and such provisions may be renewed or extended, in whole or in part, beyond the initial period permitted by such law, for successive periods not to exceed the period permitted by such law, provided such renewal or extension is approved by at least two-thirds (2/3) of all Eligible Votes. Further, no such renewal or extension shall be effective unless there is filed for record in the Office of the Recorder of the Appropriate Indiana County on or before the effective date thereof an instrument executed by the President and Secretary of the Association which shall state the terms of such renewal or extension and which shall contain a certification by such Secretary that such extension and renewal was duly approved by the Owners. Every purchaser or grantee of any interest in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that such provisions of this Declaration may be extended and renewed as provided in this Section.

Section 13.2. Amendment._____

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

however, any such amendment shall not materially adversely affect, in the opinion of Declarant, the substantive rights of any Lot Owner or mortgagee hereunder.

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

(c) Declarant hereby reserves the right to make such amendments to this Declaration as may be deemed necessary or appropriate by Declarant without the approval of any other person or entity, in order to bring this Declaration into compliance with the requirements of any public agency having jurisdiction thereof or of any agency guaranteeing, insuring, or approving Mortgages, so long as Declarant owns any Lots within the Development or to enable reasonable development of and construction on the Lots; provided that Declarant shall not be entitled to make any amendment which has a materially adverse effect on the rights of any mortgagee, nor which substantially impairs in the reasonable opinion of the Declarant, the benefits of this Declaration to any Owner or substantially increases the obligations imposed by this Declaration on any Owner. Declarant further reserves the right to make such amendments to this Declaration as may be deemed necessary or appropriate by Declarant without the approval of any other person or entity, which amendment shall be fully effective in accordance with its terms:

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

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

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

Section 13.3. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including attorney's fees and paraprofessional fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer

and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association may, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 13.4. Easements for Utilities. There is hereby reserved to the Association and TCCD blanket easements upon, across, above, and under all property within the Development for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Development or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone, cable television, and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system or security system which the Association or TCCD might decide to have installed to serve the Development. It shall be expressly permissible for the Association and TCCD or their designee, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables, and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

Section 13.5. Construction and Sale. Notwithstanding any provisions contained in the Declaration to the contrary, so long as Declarant owns any Lots, it shall be expressly permissible for Declarant, free of any and all charges therefor, to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such residences, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use residences owned by the Declarant as models and sales offices. This Section may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Section 13.5 shall terminate upon the earlier of (a) twenty-five (25) years from the date this Declaration is recorded or (b) upon the Declarant's recording a written statement that all sales activity has ceased.

Section 13.6. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 13.7. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable. If any of the provisions hereof shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or "running" quality of any other one of the provisions hereof.

Section 13.8. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

Section 13.9. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now-living descendants of Elizabeth, Queen of England.

ARTICLE XIV

ENFORCEMENT

Section 14.1. In General. Any party to whose benefit the restrictions herein contained inure, including Declarant and the Association, may proceed at law or in equity to prevent the occurrence or continuation of any violation of this Declaration at the sole cost and expense of the party violating this Declaration (which cost and expense shall become a lien on the violating Owner's Lot subject to foreclosure in the manner provided in Article X), but neither Declarant nor Association shall be liable for damages of any kind to any person for failing either to abide by, enforce or carry out any provision of this Declaration.

Section 14.2. Government Enforcement. The Appropriate County Planning Agency, its successors and assigns, shall have no right, power, or authority, to enforce any covenants, commitments, restrictions, or other limitations contained herein other than those covenants, commitments, restrictions, or limitations that expressly run in favor of the Appropriate County Planning Agency.

Section 14.3. Delay or Failure to Enforce. No delay or failure on the part of any aggrieved party to invoke any available remedy with respect to a violation of any one or more of the provisions of this Declaration shall be held to be a waiver by that party (or an estoppel of that party to assert) any right available to him upon the occurrence, recurrence or continuation of such violation or violations of this Declaration.

ARTICLE XV

PRIVATE AMENITIES AND SERVICES

Section 15.1. Private Amenities and Services. The Drainage System, Streets, and other elements comprising the Common Area shall be owned and maintained by the Association or TCCD so long as this Declaration remains in force. In the event of any termination of this Declaration and/or liquidation, dissolution or winding up of the affairs of the Association, the Association shall, after paying or making provision for the payment of all the liabilities of the Association, distribute all the assets of the Association exclusively for the purposes of the Association in such manner, or to such

organization or organizations as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed by the Judge of the Superior Court of the Appropriate Indiana County, exclusively for such purposes or to such organization or organizations, as such Court shall determine, which are organized and operated exclusively for such purpose.

ARTICLE XVI

LIMITATION ON DECLARANT'S LIABILITY

Section 16.1. Limitation on Declarant's Liability. Notwithstanding anything to the contrary herein, it is expressly agreed, and each Owner, by accepting title to a Lot and becoming an Owner acknowledges and agrees that neither Declarant (including without limitation any assignee of the interest of Declarant hereunder) nor any director, officer or shareholder of Declarant (or any partner, officer, director or shareholder in any such assignee) shall have any personal liability to the Association, or any Owner, Member or other Person, arising under, in connection with, or resulting from (including without limitation resulting from action or failure to act with respect to) this Declaration or the Association. If any judgment is ever levied against Declarant (or its assignee), the same is hereby agreed to be limited to the extent of Declarant's (or such assignee's) interest in the Development; and, in the event of a judgment no execution or other action shall be sought or brought thereon against any other assets, nor be a lien upon any other assets of Declarant (or its assignee.)

ARTICLE XVII

ADDITIONAL EASEMENTS AND RESTRICTIONS

Section 17.1. Easements. Lots are subject to perpetual non-exclusive drainage easements, utility easements, resident access easements, island easements, and landscape easements either separately or in combination as shown on the Plats and Plans, which are reserved for the use of the Declarant, Association, TCCD, Lot Owners, public utility companies and governmental agencies as follows and which are all subject to such rules and regulations as the Board may promulgate:

(a) Drainage Easements (D.E.) - Are created to provide paths and courses for area and local storm drainage, either overland or in adequate underground conduit, including storm water retention or detention areas, to serve the needs of a Community or the Development and adjoining ground and/or public drainage systems; and it shall be the individual responsibility of the Lot Owner to maintain the drainage across his own Lot. Under no circumstances shall said easement be blocked in any manner. Said areas are subject to construction or reconstruction to any extent necessary to obtain adequate drainage at any time by any governmental authority having jurisdiction over drainage or by Declarant or by TCCD. No permanent structures shall be constructed within any such easement areas except as may be approved by Declarant.

(b) Utility Easements (U.E.) - Are created (i) for the use of the local governmental agency having jurisdiction over the sanitary waste disposal system of said city and/or county or TCCD designated to serve a Community or the Development for the purposes of installation and maintenance

of sewers that are part of said system, and (ii) for the use of public utility companies, not including transportation companies, for the installation of pipes, mains, ducts, communication lines (which shall include cable T.V.), and such other further public service the Declarant may deem necessary. Each Owner of a Lot must connect with any public sanitary sewer available. No permanent structures shall be constructed within any such easement areas except as may be approved by Declarant.

(c) Resident Access Easements (R.A.E.) - Are created to provide either natural surface or hard surface paths, trails or walkways for the use of all Owners of Lots in the Development for their use in walking, strolling, jogging or running thereon. Under no circumstances shall said easements be blocked in any manner. No permanent structures shall be constructed within any such easement areas except as may be approved by Declarant.

(d) Island Easements (I.E.) - Are created to provide island areas in public and/or private streets for the use of the Declarant and the Association or TCCD in landscaping and maintaining said landscaping to enhance the overall appearance, value and desirability of the Development. It shall be the responsibility of the Association or TCCD to maintain such easement areas. Under no circumstances shall the easement be blocked in any manner. No permanent structures shall be constructed within any such easement areas except as may be approved by Declarant. These easement areas shall be subject to all rules and regulations of the appropriate municipal or other applicable governmental office or agency.

(e) Landscape Easements (L.S.E.) - Are created to provide areas for the use of the Declarant and the Association or TCCD in landscaping and maintaining said landscaping to enhance the overall appearance, value and desirability of the Development. It shall be the responsibility of the Association, TCCD and/or Lot Owner to maintain such easements. Under no circumstances shall the easement be blocked in any manner. No permanent structures shall be constructed within any such easement areas except as may be approved by Declarant.

(f) Other Easements - Are created to the extent and for the purposes specified in any Supplemental Declaration in which any such easements are set forth.

Section 17.2. Floodway Restrictions. No structures may be built on that portion of any Lots which lie within a floodway or flood plain. Any landscaping or other improvements made to any such part of the Lots, and any alterations thereon, shall be subject not only to approval of the Declarant (or the Association,), but also to the prior approval of the Indiana Department of Natural Resources, its successors and assigns, and all other governmental agencies having jurisdiction thereof.

Section 17.3. Common Areas. Those areas designated as "Common Area" on any Plats and Plans are hereby declared to be Common Area. The Common Area is hereby reserved for the use of the Declarant during the development period, for the use of the Association after the development period, and for the use and enjoyment of all the Lot Owners subject to the limitations contained herein, and further subject to the right of the Association to promulgate reasonable rules and regulations governing such use and enjoyment. Each Lot Owner shall be responsible for mowing and maintaining any Common Area located directly between his Lot line and any lake unless and until the Association

shall have elected to take over such maintenance. There shall be absolutely no swimming or boating in any lakes, nor any other use of any such lakes, except as may be permitted by Supplemental Declaration. The Owners of Lots in the Development shall take and hold title to the Lots subject to the rights herein granted with respect to the Common Area.

Section 17.4. Lot Access. All Lots within the Development shall be accessed from the interior streets of the Community. No lots shall have access along Heartland Boulevard. All lots shall be developed in accordance with the approved Cluster Plan on file with the Indianapolis Department of Metropolitan Development.

Section 17.5. Construction Procedure. During construction of any Community, reasonable care shall be taken by the builders of the Lots therein to protect all public and private streets from decomposition due to construction. During construction, sites shall be kept as clean as possible to avoid blowing trash and to prevent mud from coming onto other portions of the Development or adjoining properties. Builders shall keep streets reasonably clean and free of dirt/ mud and debris during construction periods and neither the Declarant nor the Association shall have responsibility or liability for the streets during construction.

Section 17.6. Streets. The streets as shown on the Plats and Plans for any Community are hereby dedicated to the public unless otherwise expressly indicated in the Supplemental Declaration for such Community.

Section 17.7. Easement for Golf Use. Every Lot, the Common Areas, and the Community are burdened with a perpetual, non-exclusive easement hereby created by Declarant permitting golf balls unintentionally to come upon the Lots, Common Areas, and Community immediately adjacent to any golf course portion of the Development, if any, and for golfers at reasonable times and in a reasonable manner to come upon the Lots, Common Areas, and Community or the exterior portions of Lots, Common Areas, and Community to retrieve errant golf balls; provided, however, if any Lot, Commons Areas, and Community is fenced or walled, the golfer will seek Owner's permission before entry. The location of a Lot, Common Areas, and Community within the Development may result in nuisances or hazards to the Lot, Common Areas, and Community as a result of operations of the Golf Course. Each Owner, by acceptance of a deed to a Lot, covenants for itself, its successors, successors in title, and assigns that it shall assume all risks associated with such location including, but not limited to, the risk of property damage or personal injury arising from stray golf balls or actions incidental to such Golf Course activities and shall indemnify and hold harmless the Association, Declarant and the members of the Golf Course from any liability, claims or expenses, including attorneys' fees, arising from such property damage or personal injury. Declarant reserves the right to impose upon the Development such other easements as are required for the Golf Course.

ARTICLE XVIII

REAL ESTATE TAXES; UTILITIES

Section 18.1. Real Estate Taxes. Real estate taxes on each Lot shall be paid by the Owner thereof. Any real estate taxes or other assessments against the Common Areas shall be paid by the Association or TCCD and treated as a Common Expense.

Section 18.2. Utilities. Each Owner shall pay for his own utilities which, to the extent possible, shall be separately metered to each Lot. Utilities which are not separately metered to an Owner's Lot shall be treated as and paid as part of the Common Expense, unless otherwise determined by the Association.

STATE OF INDIANA)
) ss:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Timmy J. ShROUT, a Vice President of Cedar Run Limited, Inc., and acknowledged the execution of the foregoing Declaration of Covenants, Conditions, Easements, and Restrictions of Heartland Crossing as such officer acting for and on behalf of said corporation.

Witness my hand and Notarial Seal this 4th day of December, 1998.

Notary Public (Signature)

David B. H. Best
Printed Name

My Commission Expires:
May 16, 2008

My County of Residence:
Marion

This instrument was prepared by William T. Rees, Attorney at Law, 8355 Rockville Road, Indianapolis, IN 46234, (317) 271-8888.

**Legal Description
For
Ridgecreek Subdivision at Heartland Crossing, Section One**

Part of the Southwest Quarter of Section 21, Township 14 North, Range 2 East of the Second Principal Meridian, Decatur Township, Marion County, Indiana, being more particularly described as follows:

Commencing at the southeast corner of said Southwest Quarter of said Section 21; Thence South 88 degrees 53 minutes 47 seconds West along the south line of said Southwest Quarter a distance of 1,828.42 feet; Thence North 00 degrees 17 minutes 51 seconds East parallel with the west line of said Southwest Quarter a distance of 575.00 feet to the Point of Beginning of this description; Thence continue North 00 degrees 17 minutes 51 seconds East a distance of 377.87 feet; Thence North 24 degrees 53 minutes 10 seconds East a distance of 260.98 feet to the southwesterly right-of-way line of Heartland Boulevard as established by Grant of Right-of-Way as recorded under Instrument No. 1997-009923 in the records of the Recorder of Marion County; (the next six calls are along said southwesterly right-of-way line) (1) Thence South 39 degrees 21 minutes 31 seconds East a distance of 88.96 feet to the point of curvature of a tangent curve concave Northeasterly, a radial from said point of curvature bears North 50 degrees 38 minutes 29 seconds East; (2) Thence Southeasterly 454.94 feet along an arc of said curve having a radius of 1,240.00 feet and a central angle of 21 degrees 01 minutes 16 seconds to a point on a non-tangent line; (3) Thence South 46 degrees 41 minutes 00 seconds East a distance of 50.80 feet to the point of curvature of a non-tangent curve concave Northerly, a radial from said point of curvature bears North 27 degrees 21 minutes 46 seconds East; (4) Thence Easterly 108.73 feet along an arc of said curve having a radius of 1,253.00 feet and a central angle of 04 degrees 58 minutes 19 seconds to the point of curvature of a reverse curve concave Westerly, a radial from said point of curvature bears South 22 degrees 23 minutes 27 seconds West; (5) Thence Southerly 38.10 feet along an arc of said curve having a radius of 25.00 feet and a central angle of 87 degrees 18 minutes 33 seconds to a point on a non-tangent line; (6) Thence South 69 degrees 22 minutes 16 seconds East a distance of 77.01 feet; Thence South 19 degrees 42 minutes 00 seconds West a distance of 9.58 feet to the point of curvature of a tangent curve concave Northwesterly, a radial from said point of curvature bears North 70 degrees 18 minutes 00 seconds West; Thence Southwesterly 25.67 feet along an arc of said curve having a radius of 113.00 feet and a central angle of 13 degrees 00 minutes 58 seconds to a point on a tangent line; Thence South 32 degrees 42 minutes 58 seconds West a distance of 59.70 feet to the point of curvature of a tangent curve concave Easterly, a radial from said point of curvature bears South 57 degrees 17 minutes 02 seconds East; Thence Southerly and Southeasterly 27.41 feet along an arc of said curve having a radius of 15.00 feet and a central angle of 104 degrees 41 minutes 39 seconds to a point on a non-tangent line; Thence South 20 degrees 58 minutes 45 seconds West a distance of 50.06 feet to the point of curvature of a non-tangent curve concave Southeasterly, a radial from said point of curvature bears South 18 degrees 07 minutes 29 seconds West; Thence Southwesterly 23.15 feet along an arc of said curve having a radius of 15.00 feet and a central angle of 88 degrees 25 minutes 29 seconds to a point on a non-tangent line; Thence North 70 degrees 18 minutes 00 seconds West a distance of 50.00 feet to the point of curvature of a non-tangent curve concave

**LEGAL DESCRIPTION
FOR
HEARTLAND CROSSING IN MARION COUNTY**

Part of the Southwest, Southeast and Northwest Quarters of Section 21, Township 14 North, Range 2 East of the Second Principal Meridian, Decatur Township, Marion County, Indiana, being more particularly described as follows:

Beginning at the southwest corner of said Northwest Quarter of said Section 21; Thence North 00 degrees 14 minutes 23 seconds East along the west line of said Northwest Quarter a distance of 144.89 feet; Thence South 60 degrees 35 minutes 03 seconds East a distance of 267.05 feet to the point of curvature of a curve concave northeasterly, a radial from said point bears North 29 degrees 24 minutes 57 seconds East; Thence easterly 670.68 feet along an arc of said curve having a radius of 1,260.00 feet and a central angle of 30 degrees 29 minutes 52 seconds to a point of tangency; Thence North 88 degrees 55 minutes 05 seconds East a distance of 448.63 feet; Thence North 03 degrees 46 minutes 20 seconds East a distance of 165.59 feet to the southeast corner of the Southwest Quarter of said Northwest Quarter; Thence North 88 degrees 55 minutes 05 seconds East along the south line of said Northwest Quarter a distance of 1,335.55 feet to the southeast corner thereof; Thence North 88 degrees 55 minutes 05 seconds East along the north line of said Southeast Quarter a distance of 1,337.01 feet to the northwest corner of the West Half of said Southeast Quarter; Thence South 00 degrees 05 minutes 25 seconds West along the east line of said West Half a distance of 1999.54 feet; Thence North 88 degrees 34 minutes 48 seconds East a distance of 1338.02 feet to the east line of said Southeast Quarter; Thence South 00 degrees 04 minutes 00 seconds West along said east line a distance of 401.26 feet; Thence South 88 degrees 34 minutes 48 seconds West a distance of 300.00 feet; Thence South 00 degrees 04 minutes 00 seconds West a distance of 250.00 feet to the south line of said Southeast Quarter; Thence South 88 degrees 34 minutes 48 seconds West along said south line a distance of 1008.40 feet; Thence North 01 degrees 25 minutes 12 seconds West a distance of 40.00 feet; Thence North 60 degrees 25 minutes 47 seconds East a distance of 130.43 feet; Thence North 01 degrees 25 minutes 12 seconds West a distance of 171.35 feet to the point of curvature of a non-tangent curve concave Southwesterly, a radial from said point of curvature bears South 71 degrees 37 minutes 21 seconds West; Thence Northwesterly 586.42 feet along an arc of said curve having a radius of 460.00 feet and a central angle of 73 degrees 02 minutes 33 seconds to a point on a non-tangent line; Thence North 86 degrees 51 minutes 45 seconds West a distance of 242.40 feet; Thence South 88 degrees 57 minutes 58 seconds West a distance of 784.87 feet to the east line of said Southwest Quarter; Thence South 00 degrees 06 minutes 50 seconds West along said east line a distance of 623.49 feet to the southeast corner of said Southwest Quarter; Thence South 88 degrees 53 minutes 47 seconds West along the south line of said Southwest Quarter a distance of 1,828.42 feet; Thence North 00 degrees 17 minutes 52 seconds East a distance of 952.87 feet; Thence South 88 degrees 53 minutes 47 seconds West a distance of 851.24 feet tot the west line of said Southwest Quarter; Thence North 00 degrees 17 minutes 52 seconds East along said west line a distance of 1,707.07 feet to the Point of Beginning, containing 221.882 acres of land. Excluding the real estate described in Exhibit "A".

EXHIBIT "B"

**HEARTLAND CROSSING DEVELOPMENT
CONTROL COMMITTEE GUIDELINES
FOR ARCHITECTURAL APPROVAL FOR**

INTRODUCTION

Pursuant to the Declaration of Covenants, Conditions, Easements and Restrictions of Heartland Crossing (herein referred to as the "Declaration"), the Development Control Committee (herein referred to as the "Committee") is charged with the responsibility of preserving and enhancing the values of properties subject to the Declaration, of maintaining a harmonious relationship among structures and the natural vegetation and topography of said properties, and of providing for the proper functioning of the storm drainage system for said properties. For these purposes, the Committee has the right to promulgate and enforce rules, regulations and guidelines to regulate the exterior design, appearance, use, location and maintenance of lands, and improvements thereon, subject to the Declaration. In order to satisfy this responsibility, the Committee has the right to take the following actions:

- (a) Approve or disapprove plans and specifications for all proposed construction on land subject to the Declaration, and
- (b) Approve or disapprove plans and specifications for all improvements of property on land subject to the Declaration.

The following guidelines for all construction on and improvement of the land subject to the Declaration are hereby adopted by the Committee for guidance to property owners in preparing and submitting plans and specifications to the Committee for its consideration. These guidelines may be changed, modified and amended by the Committee at any time, in accordance with the procedure therefore set forth in the Declaration.

NOTE: NO NEW CONSTRUCTION OR IMPROVEMENT TO AN EXISTING STRUCTURE MAY BE INITIATED WITHOUT PRIOR WRITTEN APPROVAL FROM THE COMMITTEE.

While the Declaration provides that the Committee shall have up to five (5) days for the approval or rejection of submitted plans, the Committee will make every effort to complete the review process in a shorter period when necessary to accommodate the needs of property owners.

In subdivisions where builders have exclusivity, the Committee may pre-approve a sample of plans presented by the builder to expedite this process.

EXHIBIT "C"

I. CONSTRUCTION APPROVAL

In order to create and maintain a high quality residential development on the subject property, certain criteria for all construction has been established by the Committee.

1. GENERAL REQUIREMENTS FOR CONSTRUCTION

While detailed construction requirements may vary by specific areas or sections of the property, the general requirements are set forth below.

(A) Square Footage. All single family residences have minimum square footage requirements which are specified as follows:

See Building Standards and Covenants per each Heartland Crossing Community.

(B) Tree Preservation. No existing tree 15' outside of the building and 10' outside the driveway and parking areas of a lot shall be removed without the prior written approval of the Committee and such approval shall only be granted upon proof of unusual hardship in the practical utilization of the lot. Accordingly, all plot plans submitted to the Committee for approval shall designate thereon all trees outside of the building, driveway and parking areas. The removal or destruction of any such trees without the consent of the Committee shall result in liability of the owner of such lot to replace said trees with trees of like kind, quality and size.

(C) Construction Trash. All builders will be required to utilize a thirty (30) cubic yard trash receptacle or trash fence system for each home during periods of construction in order to properly dispose of debris. In order to preserve the overall appearance of the community while under construction, each trash receptacle will be provided by one supplier. The Committee will provide ordering information at the time of plan approval.

(D) Temporary Driveway. To further preserve the overall appearance of the community at time of home construction, each builder is required to install and maintain a temporary stone drive on each lot. Such temporary drive shall consist of #2 and/or #53 stone and shall provide for construction access from the public street to the building area. Must be installed prior to framing.

(E) Colors and Materials of Homes. Materials used on the exterior of homes and improvements are subject to the approval of the Committee, and all exterior colors are, generally, to be subdued, earthen tones or white and compatible with other structures in or planned for the immediate area.

(F) Yards. By applicable zoning ordinance, the "front yard" of a lot is considered to be

that area between the public street frontage and the house regardless of how the house is faced and minimum front yard, side yard and rear yard setbacks must comply with the requirements therefore referred to in the Plat Restrictions.

(G) Erosion Control and Tree Protection Measures. During periods of construction of a home or improvements on a lot, the builder shall provide adequate physical barriers such as straw bales or snow fencing in order to protect trees from damage by construction equipment and related activities. In addition, builders shall be required to exercise erosion control measures to prevent silt transportation to the main drainage ways and streets. Builders shall provide appropriate temporary seeding of disturbed earth areas and temporary wood or straw bale dams to restrict silt-sediment transportation. The owner or owners of a lot shall be responsible for the performance of all requirements of these guidelines by builders and contractors employed or engaged by or through such owner or owners.

(H) Storm Water Drainage. To aid in the efficient operation of the storm water drainage system of the entire property subject to the Declaration, all water discharged from improvements on such lot including, but not limited to, water discharged from or through roofs, downspouts, sump pumps, gravity drains, water treatment and geothermal devices, patios, pool decks and tennis courts, shall be directed into existing storm drainage facilities. The site plan or plot plan for a lot submitted to the Committee for its approval shall reflect compliance with the foregoing provisions.

(I) Utilities. All utilities shall be installed underground.

(J) Construction Traffic. The Committee shall notify the Builders about the designated construction roads to be used in Heartland Crossing.

2. PLANS AND SPECIFICATIONS

In order to properly review proposed construction, the Committee has established the following drawings as a minimum for submittal to the Committee. Submittal for approval shall include all items below. Clarification drawings and details may be requested by the Committee prior to approval if adequate details are not included in the plans.

(A) Site Plan. The site plan shall include location of all existing trees, proposed structure, driveways, walks, terraces, decks, pools, fences, air conditioning units, etc.

(B) Landscape Plan. The landscape plan shall include location, size, type and species of all proposed plant material, planting beds, mulch materials, areas of sod and seed, etc. The plan shall also include all terraces, patios, decks, walks, cabanas, pools, retaining walls, lake edge treatments, and any other hardscape elements that would have an impact upon the lot.

EXHIBIT "C"

(C) Foundation Plan._____

(D) Floor Plan(s)._____

(E) Elevations. Front, rear, sides.

(F) Details. Exterior.

(G) Specifications. For all exterior building colors, finishes and materials.

All site related plans shall be drawn at a scale of not less than 1" = 20'. All architectural related plans are to be drawn at a scale of not less than 1/4" = 1'. All plans shall be fully dimensioned and presented in duplicate (two sets) on a 24" x 36" sheet size format.

3. METHOD OF APPROVAL

The Committee shall review plans within five (5) days of complete submittal. A "Checklist of Compliance", attached to these Guidelines, shall be returned with one (1) set of plans stamped "Approved, Heartland Crossing Development Control Committee", By: _____, Date: _____. The Committee shall retain one (1) set of plans with the Checklist for its files. If the Committee disapproves the plans, written notice of such shall be given to the lot owner and shall specify the reason or reasons for such disapproval. Construction may not start until all plans have received "approval" from the Committee.

4. RESUBMITTAL

If the Committee has disapproved any of the submitted plans it is the responsibility of the owner to see that corrections or modifications are made in compliance with the Committee comments. One set of corrected plans shall then be resubmitted with changes "noted". The Committee will make every effort to review and approve the plans as quickly as possible.

II. ARCHITECTURAL GUIDELINES_____

As noted previously, any new building or improvement or any addition to an existing building or an exterior alteration or change to an existing building must have the prior written approval of the Committee before any work is undertaken. The Committee has established the following guidelines for specific types of construction and improvements on land subject to the Declaration. Any addition, exterior alteration or change to an existing building shall be compatible with the design character or the original building. Any new detached structure (if permitted) shall be compatible with the existing structure.

1. FENCES, WALLS, AND SCREENING

Fencing, walls and screening will be designed and installed to be as harmonious as possible with the architectural character of the community. No fence or screen will be approved if its installation will obstruct necessary site lines for vehicular traffic. Undue obstruction of view or other amenities from adjoining properties will be taken into consideration by the Committee when reviewing for approval. Except for decorative fences, the fences shall not be located any closer to the front of the home than the rear foundation line of the home. The Committee will not allow the fencing of the entire backyard. Dog run fencing will be allowed only if an electronic "invisible" fence is used.

The Committee discourages fencing of the entire back yard due to the effect that this fencing may have on the feeling of spaciousness desired by other property owners. The Committee shall have the right to require additional landscaping on the exterior side of all solid fencing on a lot (i.e. on the sides of such fencing facing away from the house on such lot). Fences may be privately installed but must be constructed to professional levels of quality. Non-professionally installed fences will be inspected by the Committee after completion in order to insure that the final product is of a professional quality and final approval of the fence shall be deemed withheld until successful completion of this final review.

(A) Height Restriction. The Committee is of the opinion that the environmental integrity of the community will be materially lessened if the open nature of the community is damaged by a proliferation of fences of excessive height. The Committee, therefore, will approve fences up to four (4) feet in height which otherwise meet these guidelines. The Committee will give consideration, however, to a variance in this height limit where clearly unique circumstances exist. The use of six (6) foot fences around small patio areas of a backyard of a home in order to secure privacy for the immediate patio area will be permitted. The specific fence height restrictions are as follows:

(1) Property fencing and walls above grade shall not exceed four (4) feet above grade unless otherwise approved by the Committee.

(2) The Committee will not approve any proposed fence which exceeds four (4) feet in height unless the rear line of that lot offers some circumstance clearly unique to that lot.

(3) Patio screens/privacy fences shall not exceed six (6) feet in height.

(B) Materials and Finish._____

(1) Wood fencing or screening will be approved if the design is in conformity with the architectural design of the community, subject to the Committee's right to require landscaping on the exterior sides thereof.

EXHIBIT "C"

(2) The Committee will not approve an application for the installation of a chain link or other galvanized metal fencing unless it is black vinyl coated or coated with similar coating material.

(3) All fencing or screening should preferably have finished material on both sides. If only one side has finished materials, that side must face the public side or adjoining property.

(4) Walls above grade should be constructed of natural stone, masonry or attractive timber. (Railroad ties will not be allowed.)

(C) Golf Course Lots.

No rear yard fencing shall be allowed on any golf course lot. Fencing around a pool or spa will be allowed with prior approval of design by the Committee.

2. LANDSCAPE MATERIALS

All plant material will conform to the current issue of the American Standard for Nursery Stock published by the American Association of Nurserymen. The "landscape plan" must be implemented and completed at the time of closing on the completed house. If poor soil conditions exist, the builder (owner) is responsible for providing topsoil for backfilling of all proposed trees, shrubs and grading of the lot to establish a quality lawn. Each home shall meet the minimum planting requirement of each Community.

3. LAWNS

All front and side yards will be required to be sodded. All established front lawns will be required, by the owner, to be fertilized and weeded as necessary to insure a quality lawn appearance at all times.

4. IRRIGATION

Irrigation equipment shall be the pop-up spray type and hooked up to each residential water supply.

5. SWIMMING POOLS

Swimming pools must have the approval of the Committee before any work is undertaken. No above ground pools shall be allowed. Permanent backyard pools will be approved by the Committee only after careful consideration of the potential effect of such a pool in neighboring properties. An application for the construction of a swimming pool will not be considered unless the application is accompanied by an application for acceptable fence and landscape design approval. The design of such fence shall conform to county or municipal

regulations for such fencing. Use of plantings in the vicinity of the proposed pool will be required to soften the effect of sound and required pool fencing on adjacent properties.

6. TENNIS COURTS, RACQUETBALL COURTS, PADDLE BALL COURTS, BASKETBALL GOALS, ETC.

Tennis courts, racquetball courts, paddle ball courts, squash courts, and other recreational or sporting facilities will be approved by the Committee only after thorough consideration of the potential effect of such a structure or use in neighboring properties. The Committee will not approve non-baffled lighted courts or facilities. An application for the construction of any such facility will not be considered unless the application is accompanied by an application for an acceptable fence and landscape design approval. It is recommended by the Committee that any such fencing be of an open composition in order to blend in with the surrounding properties and soften the effect on adjacent properties.

Basketball goals will not be allowed in the front driveways of any homes. Backboards of all basketball goals shall be translucent fiberglass with a black pole (or an approved equal). The Committee reserves the right to approve or disapprove the location of all basketball goals.

7. PLAY EQUIPMENT

Children's play equipment such as sandboxes, temporary swimming pools having a depth less than twenty-four (24) inches, swing and slide etc., playhouses and tents shall not require approval by the Committee provided such equipment is not more than six (6) feet high, maintained by the lot owner in good repair (including painting) and every reasonable effort has been made by the lot owner to screen or shield such equipment from view of adjacent lot owners and the equipment shall be located in the rear of the lot. Equipment higher than six (6) feet shall require approval of design, location, color, material and use by the Committee.

8. RETAINING WALLS

Retaining walls must be architecturally compatible with the exterior of the home (i.e. stone or brick veneer). Railroad tie retaining walls will not be approved.

9. LAKE EDGE WALLS

The design, height, and location of any lake edge walls must be approved by the Committee. Any lake edge wall must be of concrete construction (smooth finish), designed to be 2' above normal pool and 8" in thickness.

10. ROOFS

See Building Standards and Covenants per each Heartland Crossing Community.

EXHIBIT "C"

11. GUTTERS AND DOWNSPOUTS

All homes are required to collect runoff by the use of gutters and downspouts, that are architecturally compatible in color with the exterior of the home. The builder (homeowner) is responsible for tying all sump pumps into the underground storm drainage system unless otherwise approved by the Committee.

12. GARAGES

The location and orientation of all garages and garage doors will be planned in such a manner as to not infringe on the privacy of the adjoining property. The site and landscape plans of the home submitted for approval and the home on the adjoining property will be taken into consideration by the Committee. All garages must accommodate two normal size 4-passenger vehicles.

13. DRIVEWAYS

All driveways must be sixteen (16) feet wide, asphalt, concrete or an acceptable alternate as approved by the Committee. Extensions, widening or re-routing of existing driveways must have the approval of the Committee prior to construction.

14. SIDEWALKS

The owner/builder is responsible for providing all sidewalks on subject lot as shown on construction plans per Community. Plans are available from the Committee upon request.

15. EXTERIOR DUSK/DAWN LIGHT(S)

A minimum of two garage lights operated by photo cell are required to be purchased and installed by the builder (owner). The exterior light standard is available upon request from the Committee. No other light standards will be acceptable.

16. MAILBOXES

In order to preserve the overall aesthetic appearance of the properties subject to the Declaration, all mailboxes will be pre-approved by the Committee.

17. AIR COOLING UNITS

Air cooling units or other like utilities that are outside of the residential structure must be located at the side or rear of the home and screened from view by the use of architectural or landscape materials. Architectural screens must be compatible with the exterior of the home and constructed at a minimum height equal to the height of the unit in place.

18. SOLAR HEATING SYSTEMS

The Committee acknowledges the increased use of residential solar heating systems which utilize solar heating panels and related equipment. The Committee will carefully review solar heating plans to insure their use and location have a minimum detrimental effect on adjoining properties. (See Air Conditioning Units.)

19. EXTERIOR ANTENNAS

Unless specifically authorized by the Committee, no television, radio or other antennas (including, without limitation, satellite receiving dishes larger than twenty-four (24) inches) may be erected by any lot owner on the exterior of a house or on a lot.

20. EXTERIOR LIGHTING

High pressure sodium lighting will not be allowed. The Committee will review the submitted lighting plan to insure that a consistency in the quality of light is maintained throughout the community.

21. SIGNAGE

No signs of any type shall be erected, placed, or permitted to remain on the Development, other than signage approved by the Committee.

22. MISCELLANEOUS

(A) All construction trades performing work on any structure or other improvement on any lot in the property subject to the Declaration will be expected to do their work in a professional manner, and in accordance with all standards published by the recognized trade councils of their respective industries, and it shall be understood that all work performed in such property shall be of the highest quality known to the trade. It is not the duty or the responsibility of the Committee to supervise or inspect the quality of construction performed by the construction trades, but should the Committee discover what it considers "low quality work" or work being performed which is not in accordance with the plans approved by the Committee, the owner of the lot and the holder of the building permit for the work in question (if known) may be notified and the work shall be corrected to a professional standard and made to conform to the approved plans.

(B) Should the determination of the Committee in this regard be challenged by the owner of the lot or the holder of the building permit, such challenge shall be in writing and served upon the Committee accompanied by a certified letter from an architect registered to practice in the State of Indiana and bearing his signed seal stating that, in his professional opinion, the work in question is in accordance with the plans

approved by the Committee and meets the quality standards herein required.

(C) Should the Committee still disagree and feel the work is substandard or not in accordance with the approved plans, a panel of three architects will be chosen to review the work and their majority vote shall constitute the final determination as to what, if any, action is required. Should such panel of architects rule the work substandard or not in accordance with the approved plans, then the work shall be re-executed to professional standards and in accordance with the approved plans within thirty (30) days. In any case in which such a panel of architects is to make a determination hereunder, one such architect shall be selected by the Committee, one by the owner of the lot (or his builder), and the third by the two so selected. If either party fails to select its architect and advise the other of such selection within five (5) days after the date upon which the Committee notifies the owner of the lot or the holder of the building permit that the Committee still feels the work is substandard or not in accordance with the approved plans, then the single architect selected by one of the parties shall serve alone as the panel of architects to make such final determination. The costs and expenses of the architectural review panel selected to determine any such dispute shall be borne and paid in equal shares, one-half (1/2) by the Association and one-half (1/2) by the owner of the affected lot.

(D) Neither the Developer of the property subject to the Declaration nor any member of the Committee shall at any time have any liability whatsoever to the owner of any lot in such property or to any holder of a building permit for any improvements to be located thereon nor to any other person for any determination or decision made by the Committee in the exercise of its duties and responsibilities or for any actions taken or attempts made by the Developer or the Committee to enforce quality construction practices in the subject property.

The manufacturer's printed instruction and directions for the application or installation of their products shall always constitute the minimum standard for the application or installation of the product.