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**DECLARATION OF
AUTUMN RIDGE HORIZONTAL PROPERTY REGIME**

THIS DECLARATION OF AUTUMN RIDGE HORIZONTAL PROPERTY REGIME ("Declaration"), made this 15th day of APRIL, 1998, by Old Farm, Inc., an Indiana corporation ("Declarant"), evidences that:

WHEREAS, Declarant is the owner in fee simple of that certain parcel of land located in Hendricks County, Indiana, and more particularly described in Exhibit "A", attached hereto and made a part hereof (the "Real Estate"); and

WHEREAS, Declarant, by execution hereof, creates a horizontal property regime (the "Regime") upon the Real Estate, subject to the provisions of the Act (as hereinafter defined), and the terms and conditions hereof; and

NOW, THEREFORE, Declarant hereby makes this Declaration, and declares that the Real Estate shall be a "Horizontal Property Regime," as provided in the Act, subject to and in accordance with the following terms and conditions:

Section 1. Definitions. The following terms whenever used herein shall have the following assigned meanings:

- (a) "Act" means the Horizontal Property Act of the State of Indiana, I.C. 32-1-6-1, et seq., as amended.
 - (b) "Association" means Autumn Ridge Association, Inc., an Indiana nonprofit corporation.
 - (c) "Board" means the Association's governing body elected by the Owners in accordance with the By-Laws, and shall be synonymous with the term "Board" as used in the Act.
 - (d) "Building" means a single structure that contains two (2) Dwelling Units.
 - (e) "By-Laws" means the Association's Code of By-Laws providing for administration and management of the Association, a true copy of which is attached hereto and made a part hereof as Exhibit "B".
 - (f) "Common Areas" means General Common Areas and Limited Areas.
 - (g) "Common Expenses" means expenses of administration of the Association, expenses for upkeep, maintenance, repair and replacement of Common Areas, and all other costs and expenses incurred by the Association for the benefit of the Common Areas or for the common benefit of all Owners; provided, however, that
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Common Expenses shall not include any costs of initial construction of any Building or other Property, or any improvements on any portion of the Real Estate, or any costs of repairs covered by any warranty of Declarant as builder of any Building or other Property, including, but not limited to, road damage and debris caused by construction traffic, linkage to any utility lines or mains within the Regime, and damage to or deterioration of grass, trees, fences or other Property due to construction or the state of areas under development.

- (h) "Control Transfer Date" is defined in Section 8.
- (i) "Declarant" means Old Farm, Inc. and any successor to or assignee of its interest in all or any part of the Real Estate, or herein, under an instrument which expressly states that the successor or assignee thereunder shall become the Declarant for purposes hereof.
- (j) "Dwelling Unit" means any individual residential unit within the Regime, each Dwelling Unit being more particularly described and identified on the Plans, and in Sections 2 and 3.
- (k) "Formula" means the method set forth in Section 6 for computing the Percentage Interest applicable to each Dwelling Unit.
- (l) "General Common Areas" means those Common Areas, use and enjoyment of which is not limited to certain Dwelling Units, as further described and defined in Section 4.
- (m) "Limited Areas" means those Common Areas, use and enjoyment of which is limited to a certain Dwelling Unit or Units, as further described and defined in Section 5.
- (n) "Managing Agent" means any person to which Association's management responsibilities are delegated under Section 12.
- (o) "Mortgagee" means the holder, insurer or guarantor of any mortgage on any Dwelling Unit.
- (p) "Owner" means a person that owns fee simple title to a Dwelling Unit. Persons owning a Dwelling Unit as tenants in common, joint tenants, tenants by the entirety, or any other form of joint or divided ownership, shall be deemed one Owner for purposes hereof.

- (q) "Percentage Interest" means the percentage of undivided interest in the fee simple title to Common Areas appertaining to each Dwelling Unit, as determined in accordance with Section 6.
- (r) "Percentage Vote" means that percentage of the total vote accruing to all Dwelling Units which is applicable to each particular Dwelling Unit and exercisable by the Owner thereof, as described in Section 7 and in the By-Laws.
- (s) "Plans" means the floor and building plans of the Buildings and the Dwelling Units, and the site plan, survey and elevation plans of the Real Estate and the Buildings, duly certified by a registered architect or licensed professional engineer.
- (t) "Property" means the Real Estate and appurtenant easements, the Dwelling Units, the Buildings, and all other improvements of every kind and nature whatsoever, now or hereafter located upon the Real Estate and used in connection with operation, use and enjoyment of the Regime.

Section 2. Description of Dwelling Units. The Real Estate shall contain twenty-six (26) Dwelling Units. The legal description of each Dwelling Unit shall consist of the designation of such Dwelling Unit in the Plans to be prepared in connection with such unit. Each Dwelling Unit shall consist of all space within the boundaries thereof (as hereinafter described), and all fixtures, facilities, utilities, equipment, appliances and structural components within such boundaries that are designed or intended solely and exclusively for the enjoyment, use and benefit of such Dwelling Unit. Not included in any Dwelling Unit are those fixtures, facilities, utilities, equipment, appliances and structural components designed or intended for the enjoyment, use, benefit, support or safety of more than one Dwelling Unit, or that may be necessary for the same, or that are specifically defined or described herein as Common Areas, or that are normally intended for common use; provided, however, that all fixtures, equipment and appliances designed or intended solely and exclusively for the enjoyment, use and benefit of a Dwelling Unit shall constitute a part of such Dwelling Unit, even if the same are located wholly or partly outside the boundaries of such Dwelling Unit.

Section 3. Boundaries. The boundaries of each Dwelling Unit shall be as shown on the Plans. The vertical boundaries shall run from the interior, unfinished surfaces of the lowermost floors to the interior, unfinished surfaces of the uppermost ceilings, and the horizontal boundaries shall be the interior, unfinished surfaces of the uppermost ceilings, and the horizontal boundaries shall be the interior, unfinished drywall surfaces of the common walls and exterior walls, and the interior, unfinished surfaces of the doors and windows, except that all glass, screens and air conditioning units shall be deemed part of the Dwelling Unit. If any horizontal or vertical boundary line as shown on the Plans does not coincide with the actual location of the respective wall, floor or ceiling of a Dwelling Unit because of inexactness of construction, settling after construction or any other reason, the boundary lines of such Dwelling Unit shall

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be deemed to be, and treated for purposes of occupancy, possession, maintenance, decoration, use and enjoyment, in accordance with the actual existing construction. In such case, permanent easements for exclusive use shall exist in favor of the Owner of each Dwelling Unit in and to such space lying outside the boundary lines of such Dwelling Unit as indicated on the Plans, but within the walls, floors and ceilings of such Dwelling Unit as the same may actually exist.

Section 4. General Common Areas. General Common Areas shall include the following, except to the extent otherwise specifically designated in Section 2, 3 or 5 as being within a Dwelling Unit or as Limited Areas:

- A. yards, gardens, open spaces, fences and landscaping;
- B. sidewalks and interior roadways;
- C. exterior lighting fixtures and electrical service, except where separately metered to a particular Dwelling Unit;
- D. electrical, gas, water, sanitary sewer, telephone and cable television lines, mains, pipes, ducts, conduits, wiring and insulation;
- E. interiors of all structural walls and floors, including all exterior walls and attic space, walls between horizontally adjacent Dwelling Units and floors between vertically adjacent Dwelling Units;
- F. foundations, roofs and exterior wall surfaces of Buildings, and all other structural elements and components of Buildings; and
- G. all other structures, areas and facilities not expressly defined as Limited Areas in Section 5, or expressly included within Dwelling Units by Section 2 or 3.

Section 5. Limited Areas. Limited Areas shall consist of the following:

- A. Entranceways through which access to Dwelling Units is obtained are limited to use of the respective Dwelling Unit(s) served by such entranceways.
- B. Patios, balconies, porches, courtyards, and decorative walls and fences, are limited to use of the respective Dwelling Unit(s) to which they are appurtenant.
- C. Driveways, walkways and similar areas used for access to particular individual Dwelling Units are limited to use of the Dwelling Units so served. Each Dwelling Unit shall have the exclusive right to use the parking area

located in the driveway area immediately adjacent to such Dwelling Unit, as shown on the Plans.

Section 6. Ownership of Common Area and Percentage Interest. In connection with and as an inseparable part of ownership of each Dwelling Unit, the Owner thereof shall have an undivided interest in the Common Areas as a tenant in common with all other Owners, such interest to be equal to the Percentage Interest applicable to such Dwelling Unit. The Percentage Interest in the Common Areas applicable to each Dwelling Unit shall be determined in accordance with the Formula as described in this Declaration. The Percentage Interests at the time of recordation hereof are equal to 3.846% for each Dwelling Unit. In any calculation or determination of a Percentage Interest, the figure obtained shall be rounded to the next one-thousandth of a percent and shall be so presented for all purposes of the conveyance and/or this Declaration. Each Owner shall have a Percentage Interest and Percentage Vote appurtenant to its Dwelling Unit that is equal to the Percentage Interest and Percentage Vote held by all other Owners, and there will be no differentiation based upon the size or value of the Dwelling Units. The Percentage Interest and Percentage Vote appurtenant to each Dwelling Unit at any time shall be 100% divided by the total number of Dwelling Units at that time (the "Formula"). The total shares shall at all times equal 100%, or as close to 100% as mathematically possible, having regard to the equality of shares allocable to each Dwelling Unit and the rounding thereof as required by this Section 6.

Section 7. Membership in Association and Percentage Vote. In connection with and as an inseparable part of ownership of each Dwelling Unit, the Owner thereof shall be a member of the Association and shall have a Percentage Vote, which such Owner shall be entitled to cast at each Association meeting on each matter on which Owners may vote under the terms of this Declaration, the Association's Articles of Incorporation or the By-Laws. The Percentage Vote allocable to each Dwelling Unit for all matters upon which Owners are entitled to vote shall be equal to the Percentage Interest appertaining to such Dwelling Unit as determined by Section 6. Unless otherwise stated in the Act, the By-Laws or this Declaration, matters to be undertaken or performed by the Association shall be so undertaken or performed only upon the approval thereof by a majority of the Percentage Vote present or represented at the Association meeting at which such matter is considered (provided a quorum is present). To determine whether a majority or any specific percentage of the vote required hereby has approved any matter, the number of Owners whose votes have been cast in favor of such matter shall be tallied. For purposes hereof and of the Act, a majority of the Percentage Vote or of the Owners shall not exist unless such sum, when divided by the total number of Dwelling Units then in the Regime, exceeds fifty percent (50%), a two-thirds (2/3) majority of the Percentage Vote or of the Owners shall not exist unless such sum, when divided by the total number of Dwelling Units then in the Regime, exceeds the decimal equivalent of two-thirds (2/3), and a majority of the Percentage Vote present or represented at such meeting shall not exist unless such sum, when divided by the number of Owners present or represented at such meeting, exceeds fifty percent (50%).

Section 8. Association of Owners. In order to provide for maintenance, repair, replacement, administration and operation of the Property in compliance with the provisions of the Act, the Association has been created by Declarant. Each Owner shall be a member of the

Association, but membership shall terminate when such person ceases to be an Owner, and such membership shall automatically transfer to the new Owner along with transfer of the Dwelling Unit, whether or not such transfer is stated in the instrument of conveyance. Declarant shall appoint the members of the initial Board, which shall control during the period of its incumbency all matters which would be within the authority of either the Association or the Board under this Declaration, the By-Laws or the Act, except that certain powers, including the power of assessment, shall be limited as provided herein or in the By-Laws. Each Owner shall confer and shall be deemed to have conferred upon Declarant an irrevocable proxy to vote in such Owner's name, place and stead on any and all matters on which the Owners or any of them are entitled to vote under this Declaration, the By-Laws or the Association's Articles of Incorporation. Such initial Board shall serve until Declarant turns over control of the Regime to the Owners, which shall take place no later than the earliest to occur of the following events (the "Control Transfer Date"):

- A. One hundred twenty (120) days after a total of twenty (20) Dwelling Units have been sold by Declarant; or
- B. One hundred twenty (120) days after substantial completion of all Dwelling Units and other Property that Declarant may elect to build on the Real Estate; or
- C. The fifth anniversary of the date hereof.

The irrevocable proxy conferred upon Declarant shall terminate as of the Control Transfer Date. Upon such transfer of control, Declarant shall make available to the Association all books, records, plans and other information in its possession regarding activities of such initial Board and operation of the Regime prior to such turnover. Thereafter, the Association shall elect the Board annually in accordance with and as prescribed by the By-Laws, and may take any other actions with respect to control of the Regime provided for by this Declaration, the By-Laws or the Act. The Board shall be the Association's governing body, representing all of the Owners in providing for management, maintenance, repair, replacement and upkeep of the Property.

Section 9. Encroachments and Easements for Common Areas. If, by reason of location, construction, settling or shifting of a Dwelling Unit, a Common Area encroaches upon a Dwelling Unit, then in such event an easement shall be deemed to exist and run to the Owners and the Association for maintenance, use and enjoyment of such Common Area. Each Owner shall have an easement in common with each other Owner to use all General Common Areas, wherever located.

Section 10. Easement for Utilities and Public and Quasi-Public Vehicles. All public and quasi-public vehicles, including, but not limited to, police, fire, ambulance and other emergency vehicles, trash and garbage collection vehicles, post office vehicles, and privately owned delivery and service vehicles, shall have the right to enter upon the General Common Areas in performance of their duties. A transferable easement is also reserved by Declarant, to be granted to the appropriate utilities and their agents, for ingress, egress, installation,

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replacement, repair and maintenance of utility lines, mains, and other necessary facilities and equipment within the Regime, including, but not limited to, water, sewers, gas, telephone and electricity; provided, however, that nothing herein shall permit installation of sewers, electric lines, water lines or other utilities, except as initially designed and approved by Declarant, or as thereafter approved by the Board, or permit substantial impairment of any Owner's use and enjoyment of its Dwelling Unit, and the grantee of any such easement rights shall be responsible for repair or restoration of damage to any Property caused by its activity pursuant to such easement rights. Declarant and the Association shall have the right to grant such other easements, licenses and rights-of-way as may be necessary for proper operation and maintenance of the Regime.

Section 11. Restrictions on Use. The following restrictions apply to use and enjoyment of the Property:

A. All Dwelling Units shall be used exclusively for residential purposes and occupancy by a single family. No Dwelling Unit shall be used for a group home. No lease shall demise any Dwelling Unit for a term of less than one year. Nothing contained herein shall restrict use of any Dwelling Unit or any other Property by Declarant during construction and sale periods for unit "models," sales and/or management offices, location of construction trailers and equipment, or storage of equipment, materials or supplies.

B. No additional buildings or other improvements shall be erected other than the Buildings designated herein and shown on the Plans.

C. Nothing shall be done or kept in any Dwelling Unit or the Common Areas that will cause an increase in the insurance rate on any Building or the contents thereof. No Owner shall permit anything to be done or kept in any Dwelling Unit or the Common Areas that will result in cancellation of insurance on any Building or the contents thereof, or that would be in violation of any law or ordinance.

D. No waste shall be committed in any Dwelling Unit or the Common Areas.

E. No Owner shall cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of a Building, or on or upon any balcony or patio, and no sign, awning, canopy, shutter, radio or television antenna, or other attachment shall be affixed to or placed upon the exterior walls, roof or any other part of a Building, without the Board's prior written consent.

F. No animals of any kind shall be raised, bred or kept in any Dwelling Unit or in the Common Areas, except that pet dogs and cats, and other customary household pets, may be kept in a Dwelling Unit, the number and type

of which shall be specified by the Board, provided that such pets are not kept, bred or maintained for any commercial purpose, and do not create a nuisance. Pets shall be permitted outdoors only on leash, and accompanied by an Owner or other person, and each Owner shall be fully liable for any injury or damage to any person or to the Common Areas caused by its pets, and shall be responsible for removing from such areas its pets' waste materials. The Board may adopt such other rules and regulations regarding pets as it may deem appropriate, and if, in the Board's judgment, any pet is causing or creating a nuisance, or unreasonable disturbance or noise, such pet shall permanently be removed from the Property upon written notice of such determination by the Board.

G. Nothing shall be done or permitted in any Dwelling Unit that will impair the structural integrity of or structurally change any Building, except as otherwise provided herein or in the By-Laws; nor shall any Dwelling Unit be used in any unlawful manner, or in any manner to cause injury to the Regime's reputation, or to be a nuisance, annoyance, inconvenience or damage to other Owners or tenants of the Building or neighboring Buildings, including, without limiting the generality of the foregoing, noise by use of any musical instruments, radio, television, loud speakers, electrical equipment, amplifiers, or other equipment or machines.

H. No clothes, sheets, blankets, rugs, laundry, or other similar objects or materials, shall be hung out or exposed on any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly material by the Owners, except as to specific areas designed for temporary storage thereof.

I. No industry, trade, or other commercial or religious activity, educational or otherwise, whether designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the Property, except allowed home occupations under the Residential Zoning Ordinance of Hendricks County, Indiana.

J. No "For Sale," "For Rent" or "For Lease" signs, or window advertizing display of any kind, shall be maintained or permitted on any part of the Property, without the Board's prior consent; provided, however, that the right is reserved by the Declarant and the Board to place or allow to be placed "For Sale" or "For Lease" signs on any unsold or unoccupied Dwelling Units.

K. All Owners and members of their families, their guests or invitees, all lawful occupants of any Dwelling Unit and all other persons entitled to use the same, and to use and enjoy the Common Areas or any part thereof, shall observe and be governed by such rules and regulations as may from time to time be issued in writing by the Board governing operation, use and enjoyment of the Common Areas.

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L. No boats, campers, trailers, buses, mobile homes, trucks larger than one half ton, motorcycles, mini-bikes or other unconventional vehicles of any description shall be permitted, parked or stored anywhere within the Property, except that any such vehicles may be parked or stored completely enclosed within a garage. Garage doors shall be kept closed except when entering or exiting the garage. Appurtenant to each Dwelling Unit is the right to use the parking area located in the driveway area immediately adjacent to such Dwelling Unit, as shown on the Plans. The number of vehicles that may be parked in such area by any Owner shall not exceed the number of automobiles for which such Owner's garage space is designed. No Owner shall park any vehicle in any location other than in its garage or designated parking area.

M. No Owner (other than Declarant) shall be allowed to plant trees, landscape or to do any gardening in any of the Common Areas, except with the Board's written consent.

N. All trash or refuse shall be stored in appropriate containers inside Dwelling Units (including garages) or designated trash areas, and shall be made accessible for the regular trash collection system established by the Board.

O. No Owner shall install or maintain any interior or exterior window decor visible from outside any Dwelling Unit, other than interior draperies having a white or pastel back lining, without the Board's prior consent.

Section 12. Maintenance, Decoration, Repairs and Replacements.

A. Common Areas: The Association will be responsible for maintenance, repair, decoration, restoration and replacement of the Common Areas, and the cost thereof shall be part of the Common Expenses. The Association may elect to delegate such duties to a Managing Agent and may enter into a management contract for such purpose, provided that such agent and the terms of such contract are approved by a majority of the Percentage Vote present or represented any Association meeting. Declarant or a person affiliated therewith shall serve as Managing Agent so long as Declarant retains control of the Association, and shall perform all property management functions on the Association's behalf. Any management contract made or deemed to raise between the Association and Declarant (or any affiliate) shall be terminable by either party without cause or penalty upon thirty (30) days' written notice at any time after the Control Transfer Date. The Board has the right to adopt such rules and regulations concerning maintenance, repair, use and enjoyment of the Common Areas as it deems appropriate, including appointment of committees to oversee the same. The Board shall have the exclusive right to determine the outside decor of each Dwelling Unit, including without limitation the color and type of paint and all decor appurtenant to the exterior of each Dwelling Unit.

B. Dwelling Units. Each Owner shall control and have the right to determine the interior decor of its Dwelling Unit, but this shall not include the right to make structural changes

to such Dwelling Unit or to use interior decor that in the Board's discretion adversely affects the external appearance of such Dwelling Unit, as more particularly set forth in Section 11. No act or omission that constitutes waste shall be committed or suffered in or upon any Dwelling Unit or Common Areas. Each Owner shall maintain and repair at its sole cost and expense all fixtures, appliances, equipment and other improvements constituting a part of its Dwelling Unit under Sections 2 and 3, and each Owner shall promptly repair any condition or defect existing or occurring in this Dwelling Unit that, if not repaired, might adversely affect any Dwelling Unit or Common Areas. The Board and the Managing Agent shall have the right at reasonable times and upon reasonable prior notice (except in cases of emergency in which case no notice shall be required) to enter into the Dwelling Units and the Common Areas appurtenant to each Dwelling Unit to replace, repair and maintain such Common Areas. If any Owner fails or is unable to maintain or repair any condition or defect for which it is responsible, and such condition or defect causes or threatens to cause immediate and substantial harm to any person or property outside its Dwelling Unit, the Board and the Managing Agent shall each have the right to enter such Dwelling Unit to remedy or repair such condition or defect, and any costs or expenses incurred in connection therewith shall be payable by such Owner upon demand by the Board or the Managing Agent. Nothing contained herein shall be construed to represent a contractual liability to the Owners on the part of Declarant, the Association or the Board for maintenance, repair or replacement of any Common Areas, and the liability of the Association, the Board and the Managing Agent in this regard shall be limited to damages resulting from gross negligence, recklessness or intentional misconduct, unless otherwise provided in the management contract in the case of the Managing Agent.

Section 13. Landscaping, Alterations, Additions and Improvements. No Owner (other than Declarant) shall undertake any landscaping or changes thereto, or make any alterations, additions or improvements to the Common Areas, without the Board's prior written approval, nor shall any Owner make any alterations to its Dwelling Unit that would impair the safety thereof, or substantially alter or adversely affect any structural portion of any Dwelling Unit, or impair any easement or hereditament, without the Owners' unanimous consent. Any alterations, additions or improvements made by any Owner wholly or partly outside its Dwelling Unit with the Board's consent shall remain such Owner's property, shall be owned, maintained and insured by such Owner as part of its Dwelling Unit, and shall be deemed part thereof for purposes hereof. Upon the sale of such Dwelling Unit, such alterations, additions or improvements shall be transferred along with such Dwelling Unit, and the purchaser shall be deemed to assume the prior Owner's maintenance and insurance obligations. If, in the Board's reasonable discretion, such alteration, addition or improvement is not properly being maintained, the Board may cause the same to be removed if such condition is not corrected by such Owner within ten (10) days after notice of such determination by the Board, and such Owner shall be liable for all costs incurred in connection with such removal, including attorneys' fees.

Section 14. Purpose of Assessments.

A. Purpose. Assessments levied by the Association shall be used exclusively for the purpose of preserving the value of Dwelling Units, and promoting health, safety and welfare of the Owners, users and occupants of the same, and, in particular, for improvement, repair,

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replacement, operation and maintenance of the Common Areas required to be maintained by the Association, including, but not limited to, payment of taxes and insurance thereon, if any, for cost of labor, equipment, material and management furnished with respect to the Common Areas, and for any and all other Common Expenses. Each Owner, including Declarant, shall pay the Association:

- (a) Such Owner's Percentage Interest of the annual Assessments fixed, established and determined from time to time as hereinafter provided; and
- (b) Such Owner's Percentage Interest of any special Assessments fixed, established and determined from time to time as hereinafter provided.

B. Percentage Interest. The Percentage Interest of each Owner for purposes of this Section 14 shall be as set forth in Section 6.

C. Liability for Assessments. Each Assessment, together with any interest thereon and costs of collection thereof, including attorneys' fees, shall be the personal liability of each Owner, shall be a charge on each Dwelling Unit, and shall constitute a lien upon each Dwelling Unit from and after the due date thereof in the Association's favor. Each Assessment, together with any interest thereon and costs of collection thereof, including attorneys' fees, shall also be the personal obligation of the Owner of each Dwelling Unit at the time when the Assessment is due. The lien for any Assessment shall for all purposes be subordinate to the lien of any Mortgagee under any mortgage recorded prior to the date such Assessment first became due and payable. No sale or transfer shall relieve any Dwelling Unit from liability for any Assessments thereafter becoming due or from the lien thereof, nor shall any sale or transfer relieve any Owner of the personal liability imposed hereby. The personal obligation for delinquent Assessments shall not pass to any successor in title unless such obligation is expressly assumed by such successor.

D. Basis of Annual Assessments. The Board shall propose and the Owners shall approve an annual budget prior to the beginning of each fiscal year, setting forth all anticipated Common Expenses for such fiscal year, together with a reasonable allowance for contingencies and reserves as the Board deems appropriate. A copy of such budget shall be delivered to each Owner at least thirty (30) days prior to the beginning of such fiscal year.

E. Basis of Special Assessments. Should the Board at any time during a fiscal year determine that the Assessments levied for such year may be insufficient to pay the Common Expenses for such year, the Board shall call a special meeting of the Association to consider imposing such special Assessments as may be necessary to meet the Common Expenses for such year. A special Assessment shall be imposed only with the approval of two-thirds (2/3) of the Owners present or represented at such meeting, and shall be due and payable on the date(s) determined by such owners or, if not so determined, by the Board.

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F. Fiscal Year; Date of Commencement of Assessments; Due Dates. The Association's fiscal year shall be the calendar year and may be changed from time to time by the Board. The first annual Assessment shall be made for the balance of the Association's fiscal year in which Declarant first conveys ownership of a Dwelling Unit to another Owner. Annual Assessments shall be due and payable monthly on the first day of each calendar month, except that the Board may from time to time by resolution authorize and require payment of annual Assessments in quarterly, semi-annual or annual installments.

G. Duties of Association.

- (a) The Board shall cause proper books and records of levy and collection of each annual and special Assessment to be kept and maintained, including a roster setting forth each Dwelling Unit and each Assessment applicable thereto, which books and records shall be kept in the Association's office and shall be available for inspection and copying by each Owner (or a duly authorized representative of any Owner) during the Association's regular business hours. Except as otherwise provided in the By-Laws, the Association shall cause financial statements to be prepared at least annually for each fiscal year of the Association, and shall furnish copies of the same to any Owner or Mortgagee upon request. The Board shall cause written notice of all Assessments levied by the Association to be mailed to the Owners or their designated representatives. Notices of the amounts of the annual Assessments and the amounts of the installments thereof shall be sent annually within thirty (30) days following determination thereof. Notices of the amounts of special Assessments shall be sent as promptly as practicable and in any event not less than thirty (30) days prior to the due date of such Assessment or any installment thereof. If such notice is mailed less than thirty (30) days prior to the due date of the Assessment to which such notice pertains, payment of such Assessment shall not be deemed past due for any purpose if paid by the Owner within thirty (30) days after the date of actual mailing of such notice.
- (b) The Association shall promptly furnish upon request to any Owner, prospective purchaser, title insurance company or Mortgagee a certificate in writing signed by an officer or agent of the Association, setting forth the extent to which Assessments have been levied and paid with respect to any Dwelling Unit in which the requesting party has a legitimate interest. As to any person relying thereon, such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.
- (c) The Association shall notify any Mortgagee from which it has received a written request for notice: (i) of any default in performance of any obligation hereunder by any Owner that is not cured within sixty (60)

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days; (ii) of any condemnation or casualty loss that affects either a material portion of the Regime or the Dwelling Unit securing its loan; and (iii) of any proposed action that requires consent of the Mortgagees or a specified percentage thereof as set forth herein.

H. Nonpayment of Assessments; Remedies of Association.

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

(b) If any Assessment upon any Dwelling Unit is not paid within thirty (30) days after the due date, such Assessment and all costs of collection thereof, including attorneys' fees, shall bear interest from the date of delinquency until paid at a rate of eighteen percent (18%) per annum, and the Association may bring an action in any court having jurisdiction against the delinquent Owner to enforce payment of the same and/or to foreclose the lien against such Owner's Dwelling Unit, and there shall be added to the amount of such Assessment all costs of such action, including the Association's attorneys' fees, and, if a judgment is obtained, such judgment shall include such interest, costs and attorneys' fees.

I. Adjustments. If the amounts actually expended by the Association for Common Expenses in any fiscal year exceed the amounts budgeted and assessed for Common Expenses for such fiscal year, the amount of such deficit may be recouped either by inclusion in the budget for annual Assessments for the following fiscal year or by making one or more special Assessments for such purpose, at the Association's option. If the amounts budgeted and assessed for Common Expenses in any fiscal year exceed the amount actually expended by the Association for Common Expenses for such fiscal year, each Owner's Percentage Interest of such excess shall be a credit against the Assessment(s) due from such owner for the next fiscal year(s).

J. Notice and Quorum for Imposition of Special Assessments. Written notice of any meeting called for the purpose of imposing special Assessments shall be sent to all Owners not less than thirty (30) days and not more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be

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called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

K. Subordination of Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Dwelling Unit shall not affect the Assessment lien. No sale or transfer shall relieve the Owner of such Dwelling Unit from liability for any Assessments becoming due prior to such sale or transfer; provided, however, that sale or transfer of any Dwelling Unit pursuant to foreclosure of any first mortgage on such Dwelling Unit (without the necessity of joining the Association in such foreclosure action), or any proceedings or deed in lieu thereof, shall extinguish the lien of all Assessments first becoming due after the date of recordation of such mortgage but prior to the date of such sale or transfer.

Section 15. Insurance.

A. The Association shall obtain fire and extended coverage insurance insuring all Dwelling Units, including all fixtures, appliances and other improvements installed and sold by Declarant as part thereof, and all Common Areas, in an amount equal to the full replacement cost thereof from time to time, as determined by a qualified appraiser. Such insurance shall be in the form of a master casualty policy for the entire Regime, shall contain a "Replacement Cost Endorsement," and shall provide that, notwithstanding any provision thereof giving the insurer an election to restore damage in lieu of a cash settlement, such option shall not be exercisable if the Owners do not elect to restore pursuant to Section 17. Such insurance coverage shall be for the benefit of each Owner, the Association and, if applicable, each Owner's Mortgage. The amount of coverage shall be increased from time to time to cover all additions to the Regime. The proceeds shall be payable to the Association, which shall hold and apply such proceeds as trustee for the Owners and the Mortgagees, as their respective interests shall appear. The proceeds shall be used or disbursed only in accordance with the provisions of this Section 15 and Section 17, as applicable, and any surety bond or bonds obtained by the Board covering the Association's officers as provided in paragraph D of this Section 15 shall specifically include protection for any insurance proceeds so received.

B. The Association also shall obtain comprehensive public liability insurance, together with Workers' Compensation Insurance, employers liability insurance and other liability insurance, with such coverages and limits, as the Board deems appropriate; provided, however, that public liability insurance shall have liability limits of not less than Three Million Dollars (\$3,000,000.00) for personal injury and One Million Dollars (\$1,000,000.00) for property damage; and provided, further, that all such policies shall meet the requirements of paragraph E of this Section 15. Such insurance shall inure to the benefit of each Owner, the Association, the Board and any Managing Agent. The Owners, as well as any lessees of any Owners, shall have the right to recover losses insured for their benefit.

C. Each Owner shall have the right to purchase any additional insurance it may deem necessary, and each Owner shall be solely responsible for loss of or damage to the contents of

its Dwelling Unit, however caused, including all floor and wall coverings, appliances, fixtures and betterments installed by such Owner, and for loss or damage to any of its personal property, whether or not stored or kept in such Dwelling Unit. Each Owner shall be solely responsible for obtaining its own insurance to cover any such loss and risk.

D. The Association shall obtain a fidelity bond indemnifying the Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any Association agent, employee or officer, or any other person handling funds of the Association or the Owners, which bond shall be written in an amount equal to at least 200% of the annual Common Expenses, including reserves.

E. All policies of insurance of the character described in paragraphs A and B of this Section 15 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, the Board, the Declarant, any Managing Agent, and their respective members, directors, officers, employees and agents, or the Owners; shall further contain a clause whereby the insurer waives any defenses based on co-insurance or invalidity arising from acts of any insured party; and shall cover claims of one or more insured parties against other insured parties. All policies of insurance maintained by the Association pursuant to this Section 15 shall provide such coverages and be in such amounts as may be required from time to time by the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal Housing Administration ("FHA") or the Veterans' Administration ("VA"). Upon obtaining or changing any policy of insurance authorized or required by this Section 15, notice of the same shall be sent by the Association's Secretary to each Owner and Mortgagee that may be affected thereby.

Section 16. Condemnation. If all or any part of the Regime is taken or condemned by any competent authority, or any condemnation proceeding is instituted with respect to all or any part of the Regime, the Association shall have the right to appear in and defend such proceeding on behalf of the Owners affected thereby, and to prosecute on such Owners' behalf any action or proceeding, at law or in equity, it may deem appropriate for adequate protection and compensation of all Owners affected by any confiscatory act of any public body. The proceeds obtained by the Association as a result of any such action or proceeding shall be applied as follows: (a) the portion of such award that is allocated by the court making such award or, if not so allocated, that is determined by a two-thirds (2/3) majority of the Percentage Vote at a special meeting called for the purpose of making such allocation, to the Buildings or Dwelling taken (the "Building Award"), shall be distributed among the Owners whose Dwelling Units were taken proportionately according to the relative square footage of each Dwelling Unit so taken; and (b) the balance of such award after payment of the Building Award shall be paid, first, to reimburse the Association for its costs and expenses in obtaining such award, and the balance, if any, shall be paid to each Owner in proportion to its Percentage Interest. No amounts or damages shall be paid by the Association to any Owner for any partial taking, partial loss of use or impedance of access of or to any Dwelling Unit, except to the extent that the amount of any such award is specifically determined by the court making such award or by a two-thirds (2/3) majority of the Percentage Vote. Nothing in this Section 16 shall be construed to prevent any Owner affected by any condemnation or confiscatory action of any public body

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from participating in any condemnation proceeding or from prosecuting any action for recovery for any confiscation of its property, but such Owner shall not be entitled to distribution out of the proceeds received by the Association to the extent such Owner recovers sums or compensation for the same or similar damages as are the basis of the award to the Association. Nothing contained herein shall be construed to require payment of proceeds to an Owner in derogation of any rights such Owner's Mortgagee may have to such proceeds.

Section 17. Casualty and Restoration. In the event of any damage to or destruction of the Property by fire or other casualty, the following provisions shall be applicable:

A. In the event of less than complete destruction (as defined in paragraph B of this Section 17) of the Dwelling Units in all Buildings, all Dwelling Units and other Property damaged shall be repaired and restored promptly. Any insurance proceeds shall be applied to the cost of such repair and restoration. If the insurance proceeds are not adequate to cover the cost of such repair and restoration, or if there are no proceeds, the amounts needed to complete such repair and restoration beyond available insurance proceeds shall be paid by all Owners as a Common Expense. The application and use of such proceeds shall be determined by the Board acting as trustee under paragraph A of Section 15, and, when so determined in good faith, shall be binding upon all Owners and Mortgagees.

B. If two-thirds (2/3) or more of the Dwelling Units are damaged or destroyed by fire or other casualty, a special meeting of the Association shall be called. If, at that meeting, a determination is made by a two-thirds (2/3) majority of the Percentage Vote that a complete destruction has occurred so that the Buildings and other Property in the Regime shall not be repaired or restored, then the proceeds of insurance and the Property shall be dealt with and disposed of in accordance with Sections 17 and 19 of the Act, as either may be amended from time to time, or in accordance with any substitute provisions governing such matters as may be enacted subsequent to the date hereof, with distributions of proceeds to be made to the Owners in proportion to the relative fair market values of their respective Dwelling Units as of the date of such damage or destruction, if and to the extent such values can be determined and such distributions are permitted by applicable law.

C. Restoration, for purposes of paragraphs A and B of this Section 17, shall mean construction or rebuilding of the Dwelling Units and other Property to substantially the same condition as they existed immediately prior to the damage or destruction, with similar quality of materials and workmanship, and similar type of design and architecture, but excluding all improvements and property added to, or kept in or about, such Dwelling Units by any Owner.

D. If restoration of Dwelling Units is necessary, the insurance funds shall be disbursed by the Association. Such disbursement of funds shall be in the

manner and in accordance with the procedure normally used when disbursing funds for initial construction. Each insurer shall be notified of this provision by the Association and each policy of insurance shall comply herewith. Nothing contained in Section 15 or 17 shall be construed to require payment of any proceeds to an Owner in derogation of any rights such Owner's Mortgagee may have to such proceeds.

Section 18. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement of any of the Property that becomes necessary by reason its negligence, or that of any member of its family, or its or their guests, employees, agents or lessees, to the extent such expense is not covered by proceeds of insurance carried by the Association. An Owner shall pay the amount of any increase in insurance premiums occasioned by its use, misuse, occupancy or abandonment of its Dwelling Unit or the Common Areas.

Section 19. Real Estate Taxes. Real estate taxes shall be taxed separately to each Dwelling Unit and the Percentage Interest connected therewith, as provided in the Act. If for any year real estate taxes are not separately assessed and taxed to each Dwelling Unit, but are assessed and taxed on the Real Estate as a whole, then each Owner shall pay its proportionate share of the real estate taxes. Each Owner's proportionate share will be equal to the Percentage Interest then appurtenant to such Owner's Dwelling Unit.

Section 20. Utilities. Each Owner shall pay for those utilities provided to its Dwelling Unit that are separately billed or metered for such Dwelling Unit. Utilities that are not separately billed or metered shall be treated and paid as part of the Common Expenses.

Section 21. Use and Sale of Dwelling Units. For the purpose of maintaining the residential character of the Regime and for protection of the Owners, Declarant specifically reserves the mode and method of original sale of each Dwelling Unit until the last Dwelling Unit is sold. Declarant may designate any Dwelling Unit as a unit "model," or sales and/or management office. Any Dwelling Unit designated by Declarant for use as a model, and/or sales and/or management office, may, at Declarant's option, either be owned by Declarant, or sold and leased back by Declarant for such purpose. Declarant's right to so designate and use Dwelling Units shall continue so long as Declarant owns or may construct any Dwelling Units, and no action of the Association or any Owner shall impair such right. Other than as provided in this Section 21, all Dwelling Units shall be used for single-family residential purposes only (but with home occupations permitted under the Residential Zoning Ordinance of Hendricks County allowed), and no lease (other than a leaseback by Declarant) shall demise any Dwelling Unit for a term of less than one (1) year.

Section 22. Amendment of Declaration. Except as otherwise provided herein, this Declaration may be amended in the following manner:

- A. Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered, including any annual meeting.

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B. Resolution. A resolution to adopt a proposed amendment may be proposed by the Board or by Owners having at least a majority of the Percentage Vote.

C. Meeting. The resolution concerning a proposed amendment must be adopted by the appropriate majority vote at a meeting duly called and held in accordance with the provisions of the By-Laws.

D. Adoption. Any proposed amendment hereto must be approved by a majority of the Percentage Vote. If any Dwelling Unit is subject to a mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board in accordance with the provisions of the By-Laws.

E. Amendments. No amendment hereto shall be adopted that changes:

- (a) The Percentage Interest with respect to any Dwelling Unit or the share of an Owner's liability for Common Expenses, without approval of a two-thirds (2/3) majority of the Percentage Vote and approval of Mortgagees having mortgages on at least two-thirds (2/3) of the mortgaged Dwelling Units;
- (b) The provisions of Section 17 with respect to reconstruction or repair in the event of fire or casualty, without approval of a two-thirds (2/3) majority of the Percentage Vote and unanimous approval of all Mortgagees whose mortgage interests have been made known to the Board in accordance with the provisions of the By-Laws;
- (c) The provisions of Sections 11, 14, 21, 22, 23 and 24 without Declarant's consent so long as the Regime is still subject to expansion; or
- (d) Any provision hereof that would be deemed to be of a material nature by FNMA under any current or subsequent relevant guidelines that FNMA may issue, without approval of a two-thirds (2/3) majority of the Percentage Vote and approval of Mortgagees having mortgages on at least two-thirds (2/3) of the mortgaged Dwelling Units.

Any Mortgagee that duly has been notified of the nature of any proposed amendment shall be deemed to have approved the same if such Mortgagee or a representative thereof fails to appear at the meeting at which such amendment is to be considered. If a proposed amendment is one permitted by this Section 22 and is deemed by the Board to be one that is not of a material nature, the Board shall notify all Mortgagees whose interests have been made known to the Board of the nature of such proposed amendment, and such amendment conclusively shall be deemed not material if not Mortgagee so notified objects to such proposed amendment within thirty (30) days of the date such

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notice is mailed, and if such notice advises the Mortgagees of the time limitations contained in this sentence.

F. Recordation. Each amendment hereto shall be executed only by Declarant in any case where Declarant has the right to amend this Declaration without any further consent or approval, and otherwise by the President or a Vice President, and the Secretary or an Assistant Secretary, of the Association, provided that any amendment requiring Declarant's consent shall contain such consent. All amendments shall be recorded in the Office of the Recorder of Hendricks County, Indiana, and no amendment shall become effective until so recorded. In addition, the provisions of this Section 22 are subject to the rights given to Declarant by virtue of the irrevocable proxies held by Declarant on behalf of the Owners, as provided in Section 8.

Section 23. Amendments for Mortgage Purchaser. If FNMA, FHLMC, FHA, VA, or any other guarantor or purchaser of a mortgage of any property in the Regime, should impose any requirements pertaining to attributes of the Regime, or provisions hereof or of the By-Laws, for purposes of qualifying for or agreeing to purchase or guaranty of any such mortgage, the Declarant or the Board may fully satisfy such requirements, and shall have the right to amend this Declaration in accordance therewith, without approval or consent of any Owner or Mortgagee.

Section 24. Reservation of Rights. Declarant reserves the right to amend this Declaration without consent of the Owners, the Mortgagees or the Association until the Control Transfer Date, provided that no such amendment shall materially impair the rights of any Mortgagee, or substantially deprive the Owners, or any of them, of the rights conferred upon them hereby or by the By-Laws.

Section 25. Enforcement of Covenants and Restrictions. The various covenants and restrictions applicable to use and enjoyment of the Dwelling Units, as set forth herein, are for the mutual benefit and protection of the present and future Owners, shall run with the land, and shall be binding upon, inure to the benefit of and be enforceable by the Declarant, any Owner, or the Board on the Association's behalf, and their respective heirs, successors and assigns. Available relief in any action brought to enforce this Declaration shall include damages, injunctive relief against any violation or attempted violation of these provisions, and recovery of any costs and attorneys' fees incurred by any party successfully enforcing this Declaration against any other party, but there shall be no right of reversion or forfeiture of title resulting from any violation. In addition, the Board is hereby authorized, during the period of any default or delinquency, to take actions to enforce compliance with such provisions, rules, regulations or decisions, including, without limitation: (i) revocation of a defaulting Owner's right to use General Common Areas designed for recreational purposes, and (ii) suspension of a defaulting Owner's voting privileges; provided, however, that no such enforcement action shall affect any Mortgagee's rights hereunder.

Section 26. Costs and Attorneys' Fees. In a proceeding arising because of an alleged failure of an Owner to make any required payment, or to comply with any provision of this Declaration, the Act, the By-Laws, or the rules and regulations adopted pursuant thereto, as each

may be amended from time to time, the Declarant or the Association shall be entitled to recover its attorneys' fees incurred in connection with such proceeding, if it is found or agreed in such proceeding that a failure to make payment as required hereby, or a violation of this Declaration, the Act, the By-Laws, or the rules and regulations adopted pursuant thereto, as each may be amended from time to time, did occur.

Section 27. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Dwelling Units shall be subject to and comply with the provisions of this Declaration, the Act, the By-Laws, and the rules and regulations adopted pursuant thereto, as each may be amended from time to time. Acceptance of a deed of conveyance to or occupancy of any Dwelling Unit shall constitute an agreement that the provisions of this Declaration, any Amendments, the Act, the By-Laws, and any rules and regulations adopted pursuant thereto, as each may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land, and shall bind any person having at any time any interest or estate in a Dwelling Unit or the Property as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. Each Owner shall execute and deliver such other documents, if any, as may be necessary or desirable to comply with the Act as it may be amended from time to time. All persons that may occupy, use, enjoy or control a Dwelling Unit or any part of the Property in any manner shall be subject to this Declaration, the Act, the By-Laws, and the rules and regulations adopted pursuant thereto, as each may be amended from time to time.

Section 28. Waiver. No Owner may exempt itself from liability for its contribution toward Common Expenses by waiver of use or enjoyment of any of the Common Areas, or abandonment of its Dwelling Unit. The Association does not waive the right to hold a lien on any Dwelling Unit and foreclose same by any failure to take action when any payment of any Assessment is not timely made when due by any Owner.

Section 29. Construction and Severability. This Declaration and the By-Laws are intended to comply with the provisions of the Act, and shall be construed whenever possible to be consistent therewith. Invalidity of any covenant, restriction, condition, limitation or other provision hereof or of the By-Laws shall not impair or affect in any manner validity, enforceability or effect of the rest hereof or of the By-Laws.

Section 30. Final Plat Cross-Reference. The Final Plat pertaining to the Real Estate is incorporated herein by reference and has been recorded June 18, 1997, in the Office of the Recorder of Hendricks County, Indiana, as Instrument No. 9700011982, Plat Cabinet 4, Slide 103, page 2 and Slide 104, page 1.

Section 31. Notices. Any notice required or permitted to be sent hereunder or under the By-Laws shall be sufficient if sent by U.S. certified or registered mail, postage prepaid, return receipt requested, to the address shown on the Association's records.

"EXHIBIT A"
(Legal Description)

A tract of land located in the Southwest quarter and the Southeast quarter of Section 2, Township 15 North, Range 1 West of the Second Principal Meridian, Center Township, Hendricks County, Indiana. Said tract being more particularly bound and described as follows, to-wit:

Assuming the East line of the Southwest quarter of Section 2 as being South 00 degrees 06 minutes 31 seconds West and all other bearings being relative thereto;

Commencing at a 1-1/2" iron pipe found, per county ties, marking the Northeast corner of the Southwest quarter of Section 2; thence running along the east line of said quarter section bearing South 00 degrees 06 minutes 31 seconds West 1656.76 feet to a 5/8" rebar with cap set (hereinafter referred to as a "monument set") marking the Point of Beginning for this legal description:

thence traveling into the Southeast quarter of Section 2 and running along a curve to the left having a central angle of 06 degrees 53 minutes 25 seconds, a radius of 223.98 feet, an arc length of 26.94 feet and a chord distance and bearing of 26.92 feet North 63 degrees 34 minutes 44 seconds East to a "monument set" in the West line of a tract of land for Prock described in Deed Book 326, Pages 819-821 in the Office of the Recorder for Hendricks County, Indiana, and running along said west line for the next Seven (7) courses to "monuments set":

- 1) thence South 72 degrees 42 minutes 06 seconds East 57.49 feet;
- 2) thence South 25 degrees 54 minutes 31 seconds East 57.77 feet;
- 3) thence South 25 degrees 43 minutes 00 seconds West 54.39 feet;
- 4) thence South 27 degrees 57 minutes 24 seconds East 55.25 feet;
- 5) thence South 87 degrees 14 minutes 46 seconds East 39.55 feet;
- 6) thence South 18 degrees 13 minutes 23 seconds East 34.22 feet;
- 7) thence South 04 degrees 37 minutes 24 seconds East 22.65 feet to a "monument

set" in the North line of a tract of land for the Brownsburg Village, Inc. described in Deed Book 291, Pages 301-302; thence running along said North line bearing South 89 degrees 02 minutes 21 seconds West 158.99 feet to a "monument set" in the East line of the Southwest quarter of Section 2; thence running along said East line bearing South 00 degrees 06 minutes 31 seconds West 205.76 feet to a "monument set" in the North line of a tract of land for Perry as described in Deed Book 337, Pages 516-517, said point being 230.37 feet North 00 degrees 06 minutes 31 seconds East of the Southeast corner of Parcel "G" in the "Old Farm Addition - Section 5" as recorded in Plat Book 8, Page 71 in the Office of the Recorder for Hendricks County, Indiana; thence running along the North line of Perry and the North line of a tract of land for the Union Federal Savings Bank as described in Deed Book 315, Pages 855-856 and bearing North 89 degrees 53 minutes 29 seconds West 349.61 feet to a "monument set" marking the Northwest corner of the Union Federal Savings Bank land and the east line of the Old Farm Road; thence running along said East right-of-way bearing North 00 degrees 06 minutes 31 seconds East 358.65 feet to a "monument set" at the intersection with the South right-of-way for Tradition Lane; thence running along said South right-of-way bearing North 81 degrees 12 minutes 45 seconds East 300.07 feet to a "monument set" at the P.C. of a curve to the left; thence running along said curve having a central angle of 14 degrees 10 minutes 45 seconds, a radius of 223.98 feet, an arc length of 55.43 feet and a chord length and bearing of 55.29 feet and bearing North 74 degrees 07 minutes 23 seconds East to the Point of Beginning.

EXHIBIT "B"
(By-Laws of Autumn Ridge Association, Inc.)



EXHIBIT "B"

BY-LAWS
OF
AUTUMN RIDGE ASSOCIATION, INC.
An Indiana Nonprofit Corporation

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**BY-LAWS
OF
AUTUMN RIDGE ASSOCIATION, INC.
An Indiana Nonprofit Corporation**

**ARTICLE I
Identification**

Section 1.01. Name. The name of the corporation is Autumn Ridge Association, Inc. (the "Corporation").

Section 1.02. Place of Keeping Corporate Books and Records. The books of account, records, documents and papers of the Corporation shall be kept at any place or places within or without the State of Indiana as directed by the Board of Directors. In the absence of a direction, the books of account, records, documents and papers shall be kept at the principal office of the Corporation.

Section 1.03. Fiscal Year. The fiscal year of the Corporation shall end December 31 of each year.

**ARTICLE II
Purposes**

The Corporation is organized and shall be operated to serve as the Homeowners Association (the "Association") for Autumn Ridge Condominium located on the southeast corner of Old Farm Road and Tradition Lane in Center Township, Hendricks County, Indiana ("Autumn Ridge"), and to fulfill all purposes of the Association referred to in that certain Declaration of Autumn Ridge Horizontal Property Regime which, among other purposes, was recorded to submit Autumn Ridge to the provisions of the Indiana Horizontal Property Law, and which Declaration was recorded on _____, 1998, in the Office of the Recorder of Hendricks County, Indiana, as Instrument No. 98 _____, Book ____, page ____ (the "Declaration"). The purposes of the Association shall include, but not be limited to, approving the annual budget, establishing and collecting monthly assessments, and arranging for a management agent, if one is to be employed, providing for the maintenance, repair, upkeep, replacement, administration, operation and management of the Common Areas and for the maintenance, repair, replacement of such exterior portions of the Dwelling Units as designated in the Declaration, to pay any other necessary expenses and costs in connection with the same in accordance with the Declaration, and to perform such other functions as may be delegated to the Association from time to time.

ARTICLE III
Incorporation of Declaration

The Declaration is hereby incorporated herein by reference and made a part hereof. All of the covenants, rights, restrictions, and liabilities contained in the Declaration shall apply to and govern the interpretation of the Articles of Incorporation and these By-Laws. To the extent there is any inconsistency or conflict between the Articles of Incorporation and the Declaration or these By-Law and the Declaration, the terms and provisions of the Declaration shall control. The definitions and terms, as defined and used in the Declaration, shall have the same meaning in the Articles of Incorporation and these By-Laws, and reference is specifically made to Section I of the Declaration containing definitions for terms, unless otherwise indicated herein.

ARTICLE IV
NonProfit

The Corporation shall be non-stock and nonprofit and shall not be authorized to issue capital stock. The Board of Directors shall not commit or allow to be committed any act prohibited by Section 501(c) of the Internal Revenue Code of 1986, as amended, any of the rules and regulations promulgated thereunder, or the Indiana Nonprofit Corporation Act of 1991, as amended (Indiana Code §§ 23-17-1-1 through 23-17-30-4). The Board of Directors shall do and perform all acts subject to and as required by each of the above-referenced laws, rules and regulations.

ARTICLE V
Membership

Every person or entity who owns one or more Dwelling Units in Autumn Ridge, including contract sellers (hereinafter "Owners"), shall automatically and mandatorily be a member ("Member") in the Association and be entitled to all of the privileges and subject to all of the obligations thereof; provided, however, that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. All Owners, by their acceptance of their respective deeds to their Dwelling Units, covenant and agree to be bound by the conditions, restrictions and obligations contained in the Declaration, together with all amendments and supplements thereto, the Articles of Incorporation, the rules and regulations of the Association and the provisions of these By-Laws. All of the Owners, future Owners, tenants, future tenants, their guests and invitees, or any other person who might now or hereafter use or occupy a Dwelling Unit or any part of the Common Area shall be subject to the rules, restrictions, terms, and conditions set forth in or pursuant to the Declaration, the Articles of Incorporation, these By-Laws, or the Act, all as the same may be amended from time to time, and to any rules and regulations adopted by the Board of Directors as herein provided.

ARTICLE VI
Board of Directors

Section 6.01. Number. All corporate powers shall be exercised by or under the authority of, and the affairs of the Association shall be managed under the direction of, its Board of Directors (the "Board"), comprised of a minimum of three (3) members who shall each be an Owner in Autumn Ridge. The number of Directors comprising the Board may be increased by resolution adopted by not less than a majority of the Board of Directors, but said number shall not exceed seven (7). In the event the number of Directors is increased as provided herein, the election of the additional Director or Directors shall be by a vote of the Members according to a procedure established by resolution of the Board.

Section 6.02. Duties and Powers. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all things as are not reserved to the Members by law or these By-Laws. In addition to any other duties imposed by these By-Laws or by resolution of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep, and surveillance of Autumn Ridge and the common areas and facilities, including disbursement of funds from the account of the Association to cover payment therefor upon a determination that such services have been properly performed or other expenses reasonably incurred.
- (b) Collection of assessments from Owners.
- (c) Employment of the personnel necessary for the maintenance and operation of Autumn Ridge and the common areas and facilities.
- (d) Obtaining adequate and appropriate kinds of insurance.
- (e) Owning, conveying, encumbering, leasing, or otherwise dealing with Dwelling Units which may be conveyed to or purchased by it.
- (f) Preparation, adoption, and distribution of the annual budget.
- (g) Adoption and amendment of rules and regulations covering the details of the operation and use of the property.

In addition, the Board of Directors may employ a management agent, upon such terms at such compensation as may be established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in this Section 6.02. Any Contract or agreement with any such management agent shall conform to any requirement now or hereafter imposed on such agreements by law or by applicable regulations of the Federal National Mortgage Associations ("FNMA").

Section 6.06. Meeting by Telephone, etc. Any or all of the members of the Board of Directors may participate in a meeting of the Board by or through the use of conference telephone hook-up or any other means of communication by which all persons participating in the meeting have a reasonable opportunity to speak and be heard, and participation by these means shall constitute presence in person at the meeting.

Section 6.07. Quorum. A majority of the number of directors prescribed by these By-Laws, from time to time, shall be necessary to constitute a quorum for the transaction of any business except the filling of vacancies, and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law, the Articles of Incorporation or these By-Laws.

Section 6.08. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a written consent thereto is signed by all members of the Board of Directors.

Section 6.09. Resignations. Any director may resign at any time by giving written notice to the Board of Directors, the President, the Secretary, or any other officer of the Association. Such resignation shall take effect when the notice is delivered unless the notice specifies a later effective date; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.10. Removal. Unless the Articles of Incorporation provide otherwise, a director may be removed with or without cause by the Members, by action duly taken at a meeting of the Members, provided that there is a quorum present, by the affirmative vote of a majority in interest of the Members of record present in person, or by proxy, and entitled to vote for the election of directors, and provided further, that notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If the notice calling such meeting shall so provide, the vacancy caused by such removal may be filled at such meeting by vote of a majority of interest of the Members present and entitled to vote for the election of directors.

Section 6.11. Vacancies. Any vacancy or vacancies occurring in the Board caused by a death, resignation or otherwise, other than a vacancy created by removal or an increase in the number of directors, shall be filled until the next annual meeting of the Members through a vote of a majority of the remaining directors. At the first annual meeting of the Members following any such vacancy, a director shall be elected by the Members to serve for the balance of the term of the director in respect to whom there has been a vacancy.

Section 6.12. Compensation of Directors. The directors shall receive no compensation for their services, but shall be entitled to reimbursement from the Association for all expenses reasonably incurred in the discharge of the their duties and responsibilities.

Section 6.13. Meetings open to all Members. All meetings of the Board shall be open to all Members.

Section 6.03. Term of Office and Staggered Board. The members of the Board of Directors shall be elected at each annual meeting of the Association, provided, however, the initial Board of Directors shall be comprised of those members designated in the Association's Articles of Incorporation. After the Control Transfer Date, as defined in the Declaration, each Director shall be elected to serve a term of three (3) years, except that at the first election after the Control Transfer Date, one member of the Board of Directors shall be elected for a three (3) year term, one for a two (2) year term and one for a one (1) year term so that the terms of one-third (1/3) of the members of the Board shall expire annually. There shall be separate nominations for the office of each member of the Board to be elected at such first election after the Control Transfer Date. One-third (1/3) of the persons on the Board of Directors shall be elected at each subsequent annual meeting of the Association. In the event the number of persons on the Board is not divisible by three, the number of Directors' positions available for election at the annual meetings shall be such number to approximate as closely as possible the one-third requirement. For example, with a Board consisting of five (5) persons, two positions shall be elected at the annual meeting, two for the following annual meeting and one for the next annual meeting. Each Director shall hold office throughout the term of his or her election until his or her successor is elected and qualified.

Section 6.04. Annual Meeting. The Board of Directors shall meet each year immediately after the annual meeting of the Members, for the purpose of organization, election of officers, and consideration of any other business that may properly be brought before the meeting. No notice shall be required for the holding of the annual meeting. If such meeting is not held as above provided, the election of officers may be held at any subsequent meeting of the Board.

Section 6.05. Other Meetings. Regular meetings of the Board of Directors may be held, without notice, at such time as may from time to time be fixed by resolution of the Board, provided, however, that the Board must hold at least three (3) regular meetings during each fiscal year. Special meetings of the Board of Directors may be called at any time by the President, and shall be called on the written request of any member of the Board of Directors. Notice of such a special meeting shall be sent by the Secretary to each director at his or her residence or usual place of business by letter or telecopy, at such time that, in regular course, such notice would reach such place not later than during the second day immediately preceding the day for such meeting; or may be delivered by the Secretary to a director personally at any time during such second preceding day. A director may waive any notice before or after the date and time stated in the notice. Except for waiver by attendance as provided hereinbelow, such waiver must be in writing, signed by the director entitled to the notice, and delivered to the Association or any officer thereof. By his or her attendance at or participation in a meeting, a director waives his or her right to object to the lack of notice of such meeting unless the director at the beginning of the meeting (or promptly upon the director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Such meetings shall be held at any suitable place in Hendricks County, Indiana, as may be designated in the respective notices, or waivers of notice, thereof.

ARTICLE VII
Meetings of the Association

Section 7.01. Purpose of Meetings. At least annually, and at such other times as may be necessary or appropriate, a meeting of the Members shall be held for the purpose of electing the Board of Directors, receiving and approving the annual budget, providing for the collection of Common Expenses, and for such other purposes as may be required by the Declaration, these By-Laws, the Articles, or the Act.

Section 7.02. Annual Meeting. The first annual meeting of the Association shall be held within thirty (30) days following the recordation of the Declaration for Autumn Ridge. Thereafter, annual meetings shall be held on the first Tuesday of October in each succeeding year. At each annual meeting, the Members shall elect the Board of Directors of the Association in accordance with the provisions of these By-Laws and transact such other business as may properly come before the meeting.

Section 7.03. Special Meetings. A special meeting of the Members may be called by the President, by resolution of the Board of Directors or upon a written petition of Members representing not less than twenty-five percent (25%) of the total number of Dwelling Units in Autumn Ridge. The resolution or petition shall be presented to the President or Secretary of the Association and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 7.04. Notice and Place of Meetings. All meetings of the Members shall be held at any suitable place in Hendricks County, Indiana, as may be designated by the Board of Directors. Written notice stating the time, place of any meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered or mailed by the Secretary of the Association to each Member entitled to vote thereat not less than fourteen (14) days prior to the date of such meeting. Any written notice delivered to the Members as part of a newsletter or other publication regularly sent to the Members constitutes a written notice. If at any meeting an amendment to the Declaration, the Articles of Incorporation, or these By-Laws is to be considered, the notice of such meeting shall describe the nature of such proposed amendment. All notices shall be mailed by first-class U.S. Mail, postage prepaid, or delivered to the Members at their respective addresses as the same shall appear upon the records of the Association. If an annual or special meeting of Members is adjourned to a different date, time or place, written notice is not required to be given of the new date, time or place so long as the new date, time and place is announced at the meeting before adjournment. A copy of each such written notice shall also be delivered or mailed simultaneously by the Secretary of the Association to each Mortgagee (a) who requests in writing that such notices be delivered to it, and (b) who has furnished the Association with its name and address. Such Mortgagee may designate in writing a representative to attend the meeting.

Section 7.05. Voting. Voting shall be on a percentage basis, and the percentage of the vote to which each Member is entitled is the percentage assigned to such Member's Dwelling Unit in the Declaration. As used in these By-Laws, the term "majority of owners" shall mean

those owners holding fifty-one percent (51%) of the votes in accordance with the percentages assigned in the Declaration. Except as otherwise provided herein or in the Declaration or the Act, decisions and resolutions of the Association shall require approval by a majority of a quorum of Members.

Section 7.06. Quorum. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of one-third of the Members as defined in Section 7.05 hereof shall constitute a quorum. If at any meeting of Members a quorum is not present, the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7.07. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. A Member may file written notice with the Association designating an individual who shall vote at meetings of the Association and receive notices and other communications from the Association on behalf of such Member. Such notice shall state the name and address of the individual representative so designated, the percentage interest held by the Member, the name and address of the Member, and shall be signed by the Member. The Member may change the individual representative at any time by filing a new notice as required herein.

Section 7.08. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports by officers or committee.
- (e) Election of directors.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

ARTICLE VIII
Officers

Section 8.01. Number and Qualifications. The officers of the Association may consist of a President, one (1) or more Vice-Presidents, a Secretary, a Treasurer, and such other officers as may be chosen by the Board of Directors at such time and in such manner and for

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such terms as the Board of Directors may prescribe. The President shall be chosen from among the directors. Any two (2) or more offices may be held by the same person.

Section 8.02. Election and Term of Office. The officers shall be chosen annually by the Board of Directors. Each officer shall hold office until his or her successor is chosen and qualified, or until his or her death, or until he or she shall have resigned, or shall have been removed in the manner hereinafter provided.

Section 8.03. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect upon delivery unless a later time is specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.04. Removal. Any officer may be removed either with or without cause, at any time, by the Board of Directors.

Section 8.05. Vacancies. Whenever any vacancies shall occur in any office by death, resignation, removal, increase in the number of offices of the Association, or otherwise, the same shall be filled by the Board of Directors, and the officer so chosen shall hold office during the remainder of the term for which his or her predecessor was chosen or as otherwise provided herein.

Section 8.06. President. Subject to the general control of the Board of Directors, the President shall manage and supervise all the affairs and personnel of the Association and shall discharge all the usual functions of the chief executive officer of a corporation and perform such other duties as these By-Laws or the Board of Directors may prescribe including, but not limited to, the power to appoint committees from among the Members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors.

Section 8.07. Vice-President. Subject to the control of the Board of Directors, the Vice-President shall, in the absence of the President, perform all of the duties and functions of the President during such absence. Subject to the control of the President, the Vice-President shall perform such duties and functions as the Board of Directors and/or the President shall prescribe.

Section 8.08. Secretary. The Secretary shall attend all meetings of the Board of Directors and the Association, and shall keep or cause to be kept in a book provided for such purpose a true and complete record of the proceedings of such meetings, and shall perform a like duty, when required, for all committees appointed by the Board of Directors. He or she shall perform such other duties as these By-Laws, the Board of Directors or the President may prescribe. He or she shall give all notices of the Association and, in case of his or her absence, negligence or refusal so to do, any notice may be given by a person so directed by the President or by the requisite number of directors upon whose request the meeting is called as provided by these By-Laws.

Section 8.09. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial affairs of the Association. He or she shall be the legal custodian of all moneys, notes, securities and other valuables which may from time to time come into the possession of the Association. He or she shall immediately deposit all funds of the Association coming into his or her hands in some reliable bank or other depository to be designated by the Board of Directors, and shall keep such bank account in the name of the Association. He or she shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Association, and shall perform such other duties as these By-Laws, the Board of Directors or the President may prescribe. The Treasurer may be required to furnish bond in such amount as shall be determined by the Board of Directors.

Section 8.10. Delegation of Authority. In case of the absence of any officer of the Association, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties of such officer to any other officer or to any director, for the time being.

Section 8.11. Compensation of Officers. The officers shall receive no compensation for their services, but shall be entitled to reimbursement from the Association for all expenses reasonably incurred in the discharge of the their duties and responsibilities.

ARTICLE IX
Finance and Administration

Section 9.01. Financial Records. The Board of Directors, through the Treasurer (and management agent, if any) shall keep accurate books and financial records, including, but not limited to, a detailed account of expenditures and receipts affecting the Association and its administration, and specifying Autumn Ridge's operating expenses. The books and records of the Association, and all related documents shall be open to inspection by any Member at all reasonable times during regular business hours.

Section 9.02. Report of Operations. The Board shall annually cause to be prepared and distributed to each Member an itemized accounting of the common expenses actually incurred and paid during the preceding year together with a tabulation of the amounts collected pursuant to the annual budget or by assessment, and showing the net excess or deficit of income over expenditures plus reserves.

Section 9.03. Preparation of Annual Budget. In preparing the annual budget, the Board of Directors shall include provision for reasonable anticipated expenses resulting from normal maintenance and wear and tear to the Common Areas and Property, any extraordinary expense that will be required, salaries for any employees not in excess of the prevailing rate, insurance premiums reasonable incidental expenses related to administration, any reserves required under these By-Laws or deemed necessary by the Board to meet unanticipated expenses, and such other items as may be designated as expenses of the Association by the Declaration, the Articles of Incorporation, these By-Laws, or by law. All expenses shall be itemized specifically and in

detail. The anticipated amount of each such item or service shall whenever possible be determined from a contract with or estimate from a provider of such item or service; or, if there is no contract or estimate, from a good-faith determination as to the cost at which such item or service can be obtained. Each Member shall be provided with a copy of the annual budget at least thirty (30) days prior to its adoption by the Board.

Section 9.04. Insurance.

(a) The Board shall procure a policy of insurance, covering loss or damage by fire and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the Common Areas and Property, as those are defined in the Declaration.

(b) The Board shall purchase a comprehensive public liability policy in such amount as may be determined by the Board, to protect the Association, Board, Officers, management agent, if any, and all other agents or employees against liabilities arising in connection with the ownership, use, existence, or management of the Property.

Section 9.05. Destruction. In the event of severe damage or destruction of the Property or portion thereof, by fire or other casualty, the repair, reconstruction, or disposition of the Property or portion thereof shall be governed by the provisions of the Act.

Section 9.06. Reserve Fund. The Association shall maintain a reserve fund to cover major repairs and replacement of Common Areas and other portions of the Property. The fund shall at a minimum be equal to five percent (5%) of the current annual budget on a noncumulative basis. This fund shall be used only for major repairs and replacement of Common Areas and other portions of the Property, and for no other purpose.

Section 9.07. Rules and Regulations.

(a) The rules and regulations adopted by the Board of Directors may impose reasonable fines for noncompliance with the provisions thereof, and may provide for reasonable interest and late charges on past due assessments.

(b) Any dispute, claim, or grievance arising out of, or relating to, the interpretation or application of the Declaration, Articles, By-Laws, or management agreement, if any, shall, upon request of the parties hereto, be submitted to mediation before the disinterested members of the Board; or, if the Board or the Association is a party, each party shall select an arbitrator and both of the arbitrators so selected shall in turn select a third arbitrator. The commercial arbitration rules of the American Arbitration Association shall be applicable to any arbitration commenced hereunder, and the parties thereto shall accept the decision of the arbitrators as final and binding. Any management agreement shall contain provisions making this section applicable to all parties thereto.

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Section 9.08. Assessment Liens. All sums assessed by the Association but unpaid for the share of the common expenses chargeable to any Dwelling Unit shall constitute a lien, as more particularly described in and governed by the Declaration and the provisions of the Act.

ARTICLE X
Obligations of Members

Section 10.01. Monthly Assessments. All Members are obligated to pay monthly assessments imposed by the Association to meet the expenses set forth in its annual budget. The assessments shall be made pro rata in accordance with the percentage interests as set forth in the Declaration.

Section 10.02. Member Responsibilities.

(a) Every Member must perform promptly all maintenance and repair work within his or her own Dwelling Unit which, if omitted, would affect Autumn Ridge in its entirety or in part and such Members are hereby made expressly responsible for any damages and liabilities caused by failure to do so.

(b) All the repairs of internal installations such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to a Dwelling Unit shall be at the Member's expense.

(c) A Member shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Area and other portions of the Property damaged through such Member's fault or negligence.

(d) All Dwelling Units shall be utilized for residential purposes only.

(e) A Member shall not make structural modifications or alterations within his Dwelling Unit without previously notifying and securing the written approval of the Association, through the President or the Board of Directors. In the event of a denial, the Association shall provide the requesting Member with written reasons for the denial to make any proposed structural modification or alteration. No modifications whatsoever may be made to the Dwelling Unit exteriors.

(f) A Member shall not place or cause to be placed in the entryways, vestibules and other common areas of similar nature any furniture, packages, or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

(g) A Member shall grant the right of entry to any person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his or her Dwelling Unit whether such Member is present at the time or not.

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(h) A Member shall permit Members who are Owners of immediately adjacent Dwelling Units, or their representatives, when so required, to enter his or her Dwelling Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

(i) No Member shall post any signs, advertisements or posters of any kind anywhere on the Property except as authorized by the Association.

(j) Members shall exercise extreme care about making noises or the use of musical instruments, radios, televisions and amplifiers that may disturb other Members.

(k) Members may not hang garments, rugs, or similar items from the windows or from any of the Dwelling Unit facades.

(l) Members may not throw garbage or trash outside the disposal installations provided for such purposes in the service areas.

(m) Members, resident, or lessee shall install wiring for electrical or telephone installation or television antennae, etc., on the exterior of the buildings or do anything which would protrude through the walls or the roof of the buildings.

(n) No animals other than normal household pets may be kept in the Dwelling Units at any time.

ARTICLE XI
Indemnification of Officers and Directors

Section 11.01. Indemnification.

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

(b) To the extent not inconsistent with the terms and conditions of the Declaration, the Association shall indemnify each member of the Board of Directors, each incorporator, each officer and each employee or agent of the Association against all liability and expenses (including reasonable legal fees and disbursements), judgments, fines, penalties and amounts paid in settlement or upon execution of judgment, that may be incurred by or on his or her behalf, to the fullest extent now or hereafter permitted by law, in connection with any threatened,

pending or completed action, suit, proceeding, including the appeal thereof, whether civil, criminal, administrative or investigative, brought or threatened to be brought against him or her by reason of his or her performance as a director or officer of the Association, or in any other capacity on behalf of the Association and shall continue as to an individual who has ceased to be a director or officer of the Association, and shall inure to the benefit of the heirs, executors, administrators and legal representatives of such individual. The rights of indemnification provided for herein shall not be deemed the exclusive rights to which any director or officer of the Association may be entitled.

Section 11.02. Expenses. All direct expenses incurred by one or more individuals entitled to be indemnified by the Association in defending any such action, suit or proceeding shall be paid by the Association on behalf of each such individual as such expenses are incurred, in advance of the final disposition of such action, suit or proceeding if:

(a) the individual entitled to indemnification furnishes the Association a written affirmation of such individual's good faith belief that such individual has met the standard of conduct required by law; and

(b) the individual entitled to indemnification furnishes the Association a written undertaking, executed personally or on the individual's behalf, to repay the advance if it is ultimately determined that the individual did not meet the required standard of conduct; and

(c) a determination is made that the facts then known to those making the determination would not preclude indemnification under applicable law.

Section 11.03. Liability Insurance. If so decided by the Board of Directors, the Association shall purchase and maintain, on behalf of any person who is a director, officer, employee or agent of the Association, insurance against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such whether or not the Association would have the power to indemnify him or her against such liability under law.

ARTICLE XII
Mortgagees

An Owner\Member who mortgages his or her Dwelling Unit shall notify the Association through the President or the Board of Directors, of the name and address of his or her mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Autumn Ridge Dwelling Units." The Association shall, at the request of a mortgagee of a Dwelling Unit, report any unpaid assessments due from the Owner of such Unit.

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ARTICLE XIII
Amendments

These By-Laws may be amended by the Association in a duly constituted meeting for such purpose upon approval of such amendments by sixty-seven percent (67%) of the Owners present and voting. In addition, if the amendment is material (as that term is defined by FNMA) fifty-one percent (51%) of the mortgagees of the Dwelling Units must also approve such amendments.

ARTICLE XIV
Compliance with Applicable Law

Should any of these By-Laws be found to conflict with the provisions of the Indiana Horizontal Property Law, the provisions of said Act shall control.

Dated: APRIL 15, 1998.

**FIRST AMENDMENT TO
DECLARATION OF AUTUMN RIDGE HORIZONTAL PROPERTY REGIME**

THIS FIRST AMENDMENT TO DECLARATION OF AUTUMN RIDGE HORIZONTAL PROPERTY REGIME (the "First Amendment"), is made this 2nd day of December 1998, by **OLD FARM, INC.**, an Indiana corporation ("Declarant"), and **WITNESSETH** that:

WHEREAS, Declarant entered into a certain Declaration of Autumn Ridge Horizontal Property Regime recorded April 15, 1998, in Volume 52, pages 1730-1767, as Instrument No. 9800008935, in the Office of the Recorder of Hendricks County, Indiana (the "Declaration"), which instrument affects the Real Estate as defined in the Declaration; and

WHEREAS, Declarant, pursuant to the power and authority reserved by Declarant under Section 23 and Section 24 of the Declaration, desires to amend the Declaration to incorporate certain changes within the Declaration in order to meet the legal guidelines for condominiums required by the Federal Home Loan Mortgage Corporation (Freddie Mac).

NOW THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein, Declarant hereby amends the Declaration by adopting and declaring the following:

Section 1. Incorporation of Recitals. Each of the above recitals are incorporated herein by reference and made a part of this First Amendment.

Section 2. Definitions. To the extent not otherwise defined herein, the terms used in this First Amendment shall have the meanings ascribed thereto in the Declaration, unless the context or use indicates another or different meaning or intent.

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Section 3. Amendments to Declaration.

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1. Paragraph E of Section 22 of the Declaration shall be deleted in its entirety and the following shall be inserted in place thereof:

- "E. Amendments. No amendment hereto shall be adopted that changes:
- (a) the Percentage Interest with respect to any Dwelling Unit or the share of an Owner's liability for Common Expenses, without approval of a two-thirds (2/3) majority of the Percentage Vote and approval of Mortgagees having mortgages on at least two-thirds (2/3) of the mortgaged Dwelling Units; provided, however, that no such amendment shall be permitted beyond April 15, 2005, being the date seven (7) years after the recording date of the Declaration;
 - (b) the provisions of Section 17 with respect to reconstruction or repair in the event of fire or casualty, without approval of a two-thirds (2/3) majority of the Percentage Vote and unanimous approval of all Mortgagees whose mortgage interests have been made known to the Board in accordance with the provisions of the By-Laws;
 - (c) the provisions of Sections 11, 14, 21, 22, 23 and 24 without Declarant's consent so long as Dwelling Units are being constructed and marketed by Declarant in the Regime; or
 - (d) any provision hereof that would be deemed to be of a material nature by FNMA under any current or subsequent relevant guidelines that FNMA may issue, without approval of a two-thirds (2/3) majority of the Percentage Vote and approval of Mortgagees having mortgages on at least two-thirds (2/3) of the mortgaged Dwelling Units.

Any Mortgagee that duly has been notified of the nature of any proposed amendment shall be deemed to have approved the same if such Mortgagee or a representative thereof fails to appear at the meeting at which such amendment is to be considered. If a proposed amendment is one permitted by this Section 22 and is deemed by the Board to be one that is not of a material nature, the Board shall notify all Mortgagees whose interests have been made known to the Board of the nature of such proposed amendment, and such amendment conclusively shall be deemed not material if no Mortgagee so notified objects to such proposed amendment within thirty (30) days of the date such notice is mailed, and if such notice advises the Mortgagees of the time limitations contained in this sentence."

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2. The following language shall be added to Section 22 of the Declaration as a new paragraph G thereto, which language shall be as follows:

"G. Further Restrictions. Notwithstanding any term, provision or covenant to the contrary herein, unless the prior written approval of two-thirds (2/3) of the Owners (other than Declarant) is obtained, no amendment shall be adopted nor action taken (or omitted) that:

- (a) Seeks to abandon or terminate the Regime; or
- (b) Seeks to abandon, encumber, sell or transfer the Common Areas; provided, however, that for purposes of this paragraph (b), the granting of easements within the Common Areas for public utilities or other public purposes consistent with the intended use of the Common Areas shall not be deemed a transfer for purposes of this paragraph (b); provided further that this paragraph (b) shall be deemed to be waived to the extent necessary to allow the phasing of the Regime as described in Section 30 herein."

3. Section 30 of the Declaration shall be deleted in its entirety and the following shall be inserted in place thereof:

"Section 30. Development of Regime; Final Plat Cross-Reference. The Regime shall include a total of twenty-six (26) Dwelling Units which shall be constructed in phases consisting of six (6) to eight (8) Dwelling Units. Each phase shall be evidenced by a separate minor Final Plat which shall be prepared and recorded as each phase is constructed. Each of the phases are included within the Real Estate and are subject to this Declaration and the Final Plat pertaining to the Real Estate which is incorporated herein by reference and has been recorded June 18, 1997, in the Office of the Recorder of Hendricks County, Indiana, as Instrument No. 9700011982, Plat Cabinet 4, Slide 103, page 2 and Slide 104, page 1, and which was modified by that certain Certificate of Correction recorded May 6, 1998, in the Office of the Recorder of Hendricks County, Indiana, as Instrument No. 9800011081, Volume 56, page 953 and page 954."

Section 4. General. All other terms and provisions of the Declaration remain in full force and effect. In the event of a conflict between any term and provision of this First Amendment and the Declaration, the terms and provisions of this First Amendment shall control.

IN WITNESS WHEREOF, Declarant has executed this First Amendment as of the day and date above first above appearing.

OLD FARM, INC., an Indiana corporation

By: [Signature]
Jack D. Martin, President

9804932911
Filed for Record in
HENDRICKS COUNTY IN
JOY BRADLEY
On 12-02-1998 At 03:24 pm.
DECLARATION 18.00
Vol. 92 Pg. 298 - 301

STATE OF INDIANA)
) SS:
COUNTY OF HENDRICKS)

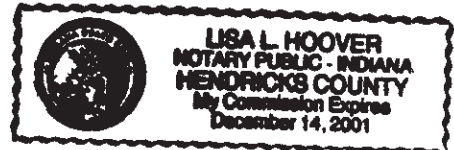
Before me, a Notary Public in and for said County and State, personally Jack D. Martin, the President of Old Farm, Inc., an Indiana corporation, who, after first being duly sworn, acknowledged the execution of the foregoing First Amendment to Declaration of Autumn Ridge Horizontal Property Regime for and on behalf of said corporation.

WITNESS my hand and Notarial Seal this ^{2nd} day of December, 1998.

[Signature]
Notary Public

Resident of _____ County, Indiana

My Commission Expires: _____



This instrument prepared by E. Scott Treadway, Esq., Lowe Gray Steele & Darko, LLP, Bank One Tower, Suite 4600, 111 Monument Circle, Indianapolis, Indiana 46204, (317) 236-8020.