

DECLARATION OF COVENANTS AND RESTRICTIONS OF
THE FAIROAKS PROPERTY OWNERSHIPIndex

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**DECLARATION OF COVENANTS AND RESTRICTIONS OF
THE FAIR OAKS PROPERTY OWNERSHIP**

Section I & Section II

THIS DECLARATION made this 9 day of Aug, 1992, by Maurice McCarty (hereinafter referred to as "FEE OWNERS" who may own part of the "TRACT" as of the date of execution hereof and Yeager Realty Company, L.P. and Jerome Martin d/b/a Myland Development Company who also own part of the "TRACT"; Myland Development Company being hereinafter referred to as "DECLARANT".

WITNESSETH:

WHEREAS, the following facts are true:

A. DECLARANT and the FEE OWNERS are the sole owners in fee simple title to certain real estate located in Johnson County, Indiana, more particularly described in the attached Exhibit "A", which is incorporated herein by reference (hereinafter referred to as "TRACT" or "FAIR OAKS, Section I and Section II").

B. DECLARANT, by execution of this Declaration, assures that all properties which are conveyed which are a part of the "TRACT" shall be conveyed subject to the terms and conditions of this Declaration, which shall run with the "TRACT" and be binding upon all parties having right, title or interest in the "TRACT", or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

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

1. Definitions. The following terms as used in this Declaration, unless the context clearly requires otherwise, shall mean the following:

(a) "TRACT" means the real estate described in Paragraph A above and such portions of the "ADDITIONAL TRACT" for which a Final Plat has been recorded in the Office of the Recorder of Johnson County, Indiana, and which has been subjected to this Declaration by a Supplemental Declaration as provided herein.

(b) "ADDITIONAL TRACT" means that real estate or any part of it described in Paragraph 19 of this Declaration.

- (c) "Applicable Date" means the date determined pursuant to Paragraph 6 of this Declaration.
- (d) "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Corporation a/k/a Homeowners Association (HOA), as hereinafter defined. The Articles of Incorporation are incorporated herein by reference.
- (e) "Board of Directors" means the governing body of the Corporation elected by the Members in accordance with the By-Laws of the Corporation.
- (f) "By-Laws" shall mean the By-Laws of the Corporation and shall provide for the election of directors and officers and other governing officials of the Corporation. A copy of the By-Laws is incorporated herein by reference.
- (g) "Corporation" also known as HOA means FAIR OAKS Homeowners Association, Inc., its successors and assigns, a not-for-profit corporation, whose members shall be the Owners of Lots, or appointees as provided in Paragraph 6 of this Declaration; such Corporation being more particularly described in Paragraph 6 of this Declaration.
- (h) "DECLARANT" shall mean and refer to Yeager Realty Company, L.P. and Jerome Martin d/b/a Myland Development Company, and any successors and assigns of it whom it designates in one or more written recorded instruments, to have the rights of DECLARANT hereunder including, but not limited to, any mortgagee acquiring title to any portion of the "TRACT" pursuant to the exercise of rights under, or foreclosure of, a mortgage executed by DECLARANT.
- (i) "Dwelling Unit" means one of the living units located upon a Lot.
- (j) "Lot" means any plot of ground designated as such upon the recorded Final Plat of "TRACT" or upon the recorded Final Plat, if any, of the "ADDITIONAL TRACT" or any part thereof and upon which one (1) Dwelling Unit is constructed, is to be constructed or has existed. When Lot is used it shall be deemed to include the Dwelling Unit, if any, located thereon.
- (k) "Member" means a member of the Corporation.
- (l) "Mortgagee" means the holder of a first mortgage lien on a Lot.

- (m) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns the fee simple title to a Lot.
- (n) "Lake" and/or Block/Lake shall refer to each body of water surrounded by Drainage and Utility Easements (D & UE) and located within areas designated on the final Plats as "BLOCK" followed by a letter of the alphabet from the letters A - C only. These Lakes, separately and in the aggregate, are designed to handle the surface water drainage requirements of the "TRACT" and "ADDITIONAL TRACT's" and should not be construed as assuring that water will be in any of the Lakes at all times or that any particular level of water will be contained therein.

Block "C" is comprised of a Lake within its confines and a parking area at its East perimeter which in the aggregate exceed 5 acres. The access hereafter assured will be restricted by fencing around the South and West perimeters of the parking area, the remaining East perimeter of Block "C" (excluding the parking area) and along the West perimeter of Block "C". The installation of the fencing and parking area described should commence as soon as practical after the completion of a proposed street known as Myrtle Terrace as shown on a Preliminary Plat on file in the Johnson County Planning Department.

DECLARANT will not be responsible for and will not install any recreational facilities within BLOCK "C" with any decision to provide such facilities being deferred to the HOA after they become title owners to BLOCK "C". The DECLARANT without binding or restricting the HOA suggests a care in the selection of facilities giving due regard to the residents located to the North and South of BLOCK "C".

Title to BLOCK/LAKE shall remain in the DECLARANT until title thereto is transferred to the HOA. Access to the Lakes thru the D & UE surrounding the Lakes and the U & DE areas between Lots from dedicated streets to these BLOCK/LAKE areas is assured DECLARANT or its representatives so long as DECLARANT owns any lots after title is transferred to the HOA with the same access being assured the duly

designated representatives of the HOA and the Greenwood and Johnson County Board of Works irrespective of whether the DECLARANT or HOA is the title owner to the BLOCK/LAKE. The use of these areas shall be restricted and governed by the Rules and Regulations of the HOA.

(o) BLOCK/NO LAKE

BLOCK/NO LAKE refers to landscape areas designated on Final Plats as "BLOCK" followed by a letter of the alphabet from the letters D - E only. Title in the BLOCK/NO LAKE areas shall be in the Lot owners designated on the FINAL PLAT by the extension of Lot lines as they are depicted. Access to BLOCK/NO LAKE areas is assured to the duly designated representatives of the HOA and the Johnson County Drainage Board and to the DECLARANT or its representatives so long as DECLARANT owns any Lots. The use of these areas shall be restricted to the applicable title owner with the plantings, replacement of plantings and maintenance in these areas being restricted and governed by the Rules and Regulations of the HOA.

The DECLARANT will clear BLOCK "C" of all debris, dead brush, dead trees and underbrush as early in the development of FAIR OAKS as is practical.

(p) EASEMENTS

Easements for various purpose and use are either designated on the Final Plat of the "TRACT" or will be designated on the Final Plat for "ADDITIONAL TRACT". With the exception of such easements appearing within areas designated BLOCK title to the real on which easements are imposed will remain with the Lot owner on which the easement appears.

The Easements are herein differentiated and distinguished as to any maintenance obligation with the easements inuring to the DECLARANT until the Applicable Date and thereafter to the HOA.

U & D.E.

a/k/a Utility & Drainage Easement - The integrity and maintenance of the surface of these

areas shall be with the title owner of the easement area. To the extent that any of the U & DE areas are part of the storm water management for the "TRACT" & "ADDITIONAL TRACT's" the Developer prior to the Applicable Date and thereafter be liable for subsurface maintenance within such U & DE areas. Any U & DE between Lots from dedicated streets to the "BLOCK" areas.

L.S.E. and N.A.E.

a/k/a Landscaping Easement and Non-Access Easement. The area so designated on the Final Plat of the "TRACT" or on any future Final Plats for "ADDITIONAL TRACT's" is located at the rear yard of Lots that are adjacent to Morgantown Road and Fairview Road, and are reserved for the DECLARANT to initially install landscape treatment in this area in the form of grass obtained from seeding and plantings. The cutting of grass in this area, plus the watering of the grass and the plantings therein, shall be the responsibility of the Lot owner upon which such Easement is impressed, unless assumed in whole or in part by the HOA by written notice to the Lot owner by the HOA. Lot owners shall not be entitled to place any additional plantings within this Easement without the written consent of the Architectural Review Board.

The Lot owners in this designated area shall be prohibited from using this area for any vehicular access from the Lot to Morgantown Road or Fairview Road.

(q) Pockets a/k/a Eye Brows.

One or more parcels of real estate that appear like hematomas on interior street on the Final Plat of the "TRACT" or "ADDITIONAL TRACT's" and are located within the front yard of the applicable Lots and are comprised of an interior road to primarily serve two to four lots separated from the main collector street by a landscape area hereinafter referred to as Eye Brow Encroachments and Maintenance Area (a/k/a Eye Brow E & M.A.). Any green area located between the interior road within this Pocket and the adjacent Lots shall be maintained by the applicable Lot owner with the maintenance of the aforesaid road and green area between said road and the main collector street being the

responsibility of the HOA.

(r) Landscape Islands

Landscape islands are designated within dedicated right-of-way as depicted on the Final Plat of the "TRACT" or "ADDITIONAL TRACT's" to escalate the attractiveness of the development. The DECLARANT shall initially install landscape treatment within these areas with any subsequent replacement. Maintenance and care of these areas then being the responsibility of the HOA.

(s) Cul De Loops. Landscape areas within the center area of the dedicated CUL DE SACS (turnarounds at street terminus) which will be original landscaped by DECLARANT and thereafter maintained by the HOA.

(t) "Common Expense" means expenses for administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement as detailed in Items 1(n), 1(o), 1(p), 1(q), 1(r), and 1(s), and all sums lawfully assessed against the Members of the Corporation.

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

3. Description of "TRACT". The "TRACT" is comprised of two (2) separately platted, individually labelled single family subdivisions as follows:

- Fair Oaks, Section I, consisting of 34 lots numbered Lots 1 thru 34 inclusive.
- Fair Oaks, Section II, consisting of 41 lots numbered Lots 35 thru 75 inclusive.

Lot _____ in _____, Section _____, a subdivision in Johnson County, Indiana, as per plat thereof recorded _____, 19____, as Instrument No. _____, in the Office of the Recorder of Johnson County, Indiana. (The first two blanks will be filled with the name and Section # of the subdivision.)

4. Common Area. The only Common Areas are designated as BLOCK followed by a letter of the alphabet upon the final plat of the "TRACT" or upon a recorded Final Plat, if any, of the ADDITIONAL "TRACT" or any part thereof, with the exception of BLOCK "D" and BLOCK "D" whose title is commensurate with the Lots shown on FINAL PLATS. DECLARANT RESERVES THE RIGHT at the

sole option of the DECLARANT to transfer title to any BLOCK within a FINAL recorded PLAT at any time after the conveyance to another party by deed to the first Lot within said PLAT but no later than the Applicable Date.

5. Easement for Utilities and Public and Quasi-Public Vehicles. An easement is granted to all utilities and their agents for ingress, egress, installation, replacement, repairing and maintaining of such utilities, including, but not limited to, water, sewers, gas, telephone and electricity on the "TRACT"; provided, however, nothing herein shall permit the installation of sewers, electric lines, water line or other utilities, except as initially designed and approved by DECLARANT on the Plat or as thereafter may be approved by DECLARANT or by the Board of Directors. By virtue of this easement the electrical and telephone utilities are expressly permitted to erect and maintain the necessary equipment on the "TRACT" and to affix and maintain electrical and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Dwelling Units. In the event any utility furnishing service should request a specific easement by a separate recordable document, DECLARANT shall have the right to grant such easement on such "TRACT", without conflicting with the terms of this Paragraph. The easements granted herein shall in no way affect any other recorded easement on the "TRACT".

6. Corporation; Membership; Voting; Functions.

(a) Membership in Corporation. DECLARANT and each Owner of a Lot which is subject to assessment shall, automatically upon becoming an Owner, be and become a Member of the Corporation and shall remain a Member until such time as his ownership of a Lot ceases, but membership shall terminate when such Owner ceases to be an Owner, and will be transferred to the new Owner of his Lot; provided, however, that any person who holds the interest of an Owner in a Lot merely as security for the performance of an obligation shall not be a member until and unless he realizes upon his security, at which time he shall automatically be and become an Owner and a Member of the Corporation.

(b) Voting Rights. The Corporation shall have two (2) classes of membership, with the following voting rights:

(i) Class A. Class A Members shall be all Owners except Class B Members. Each Class A Member shall be entitled to one (1) vote for each Lot of which such

Member is the Owner with respect to each matter submitted to a voted of Members upon which the Class A Members are entitled to vote. When more than one (1) person constitutes the Owner of a particular Lot, all such persons shall be Members of the Corporation, but all of such persons shall have only one (1) vote for such Lot, which vote shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be case with respect to any such Lot.

(ii) Class B. Class B Members shall be DECLARANT and all successors and assigns of DECLARANT designated by DECLARANT as Class B Members in a written notice mailed or delivered to the resident agent of the Corporation. Each Class B Member shall be entitled to three (3) votes for each Lot of which it is the Owner in all matters requiring a vote of the Members of the Corporation. The Class B membership shall cease and terminate upon the Applicable Date, which shall be the first to occur of:

1. the date upon which the written resignation of the Class B Members is delivered to the resident agent of the Corporation;
2. thirty (30) days after the date when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or;
3. 5 years after date of recordation of this Declaration.

(c) Functions. The Corporation has been formed for the purpose of providing for the maintenance, repair, upkeep, replacement, and administration of the Common Areas, Landscape Islands, Cul de Loops, Landscape and Non-Access Easement and Pockets and to pay any other necessary expenses and costs in connection with these areas, and to perform such other functions as may be designated by it to perform under this Declaration.

7. Board of Directors.

(a) Management. The business and affairs of the Corporation shall be governed and managed by the Board of Directors. No person shall be eligible to serve as a member of the Board of Directors unless he is, or is deemed in accordance with this Declaration to be, an Owner, including a person appointed by DECLARANT as provided in subparagraph (b) of this Paragraph 7.

(b) Initial Board of Directors. The Initial Board of Directors shall be composed of the persons designated in the Articles, to-wit: Jerome P. Martin, Elsie Martin and Robert K. Yeager (hereinafter referred to as the "Initial Board") all of whom have been or shall be appointed

by DECLARANT. Notwithstanding anything to the contrary contained in, or any other provisions of this Declaration, the Articles or the By-Laws (a) the Initial Board shall hold office until the Applicable Date, and (b) in the event of any vacancy or vacancies occurring in the Initial Board for any reason or cause whatsoever prior to the Applicable Date, determined as provided above, every such vacancy shall be filled by a person appointed by DECLARANT, who shall thereafter be deemed a member of the Initial Board. Each Owner, by acceptance of a deed to a Lot, or by acquisition of any interest in a Dwelling Unit by any type or juridical acts inter vivos or causa mortis, or otherwise, shall be deemed to have appointed DECLARANT as such Owner's agent, attorney-in-fact and proxy, which shall be deemed coupled with an interest and irrevocable until the Applicable Date determined as provided above, to exercise all of said Owner's right to vote, and to vote as DECLARANT determines, on all matters as to which Members of the Corporation are entitled to vote under the Declaration, the Articles, the By-Laws or otherwise; provided, however, this right to vote granted to DECLARANT shall not extend to votes of Members (if a vote is required) on matters of Special Assessments, mortgaging the Common Areas title in the HOA or merger/consolidation of the Corporation with another corporation. This appointment of DECLARANT as such Owner's agent, attorney-in-fact and proxy shall not be affected by incompetence of the Owner granting the same. Each person serving on the Initial Board, whether as an original member thereof or as a member thereof appointed by DECLARANT to fill a vacancy, shall be deemed a Member of the Corporation and an Owner solely for the purpose of qualifying to act as a member of the Board of Directors and for no other purpose. No such person serving on the Initial Board shall be deemed or considered a Member of the Corporation nor an Owner of a Lot for any other purpose (unless he is actually the Owner of a Lot and thereby a Member of the Corporation).

- (c) Additional Qualifications. Where an Owner consists of more than one person or is a partnership, corporation, trust or other legal entity, then one of the persons constituting

the multiple Owner or a partner or an officer or trustee shall be eligible to serve on the Board of Directors, except that no single Lot or Dwelling Unit may be represented on the Board of Directors by more than one person at a time.

- (d) Terms of Office and Vacancy. The Initial Board, per subparagraph (b) hereof, shall be deemed to be elected and re-elected as the Board of Directors at each annual meeting until the Applicable Date provided herein. After the Applicable Date there shall be no less than five (5) directors and no more than seven (7) with one (1) director each being exclusively elected from each platted Section of the Fair Oaks subdivisions (hereinafter referred to as Subdivision Directors) with the balance of Directors (hereinafter referred to as AT LARGE Directors) being elected from all subdivisions subject to this DECLARATION. Each member of this Board of Directors who is a Subdivision Director, shall be elected for a term of three (3) years, with AT LARGE Directors to be elected at the first election after the Applicable Date so that one AT LARGE members of the Board of Directors shall be elected for a three (3) year term, one for a two (2) year term, with any other AT LARGE members of the Board to have a one (1) year term. There shall be separate nominations for the office of each member of the Board to be elected at such first election after the Applicable Date. Each Director shall hold office throughout the term of his election and until his successor is elected and qualified. Subject to the provisions of subparagraph (b) of this Paragraph as to the Initial Board, any vacancy or vacancies occurring in the Board shall be filled by a vote of majority of the remaining members of the Board or by vote of the Owners if a Director is removed in accordance with subparagraph (e) of this Paragraph. The Director so filling a vacancy shall serve until the next annual meeting of the members and until his successor is elected and qualified. At the first annual meeting following any such vacancy, a Director shall be elected for the balance of the term of the Director so removed or in respect to whom there has otherwise been a vacancy.

- (e) Removal of Directors. A Director or Directors, except the members of the Initial Board, may be removed with or without cause by vote of a majority of the votes entitled to be cast at a special meeting of the Owners duly called and constituted for such purpose. In such case, his successor shall be elected at the same meeting from eligible Owners nominated at the meeting. A Director so elected shall serve until the next annual meeting of the Owners and until his successor is duly elected and qualified.
- (f) Duties of the Board of Directors. The Board of Directors shall be the governing body of the Corporation representing all of the Owners and being responsible for the functions and duties of the Corporation, including, but not limited to, the management, maintenance, repair, upkeep and replacement as required and detailed under this Declaration within the Common Areas, the Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and Pockets, and the collection and disbursement of the Common Expenses. The Board may, on behalf of the Corporation, employ a reputable and recognized professional property management agent (herein called the "Managing Agent") upon such terms as the Board shall find, in its discretion, reasonable and customary, provided any such management agreement shall be for a term of three (3) years or less and shall provide that any such agreement may be terminated by either party upon ninety (90) days written notice to the other party. Other than the Initial Management under Paragraph 8 any decision thereafter to employ a professional property management agent shall require the prior consent of the Owners of at least sixty-seven percent (67%) of the vote and fifty-one percent (51%) of the vote of Mortgagees who are registered as hereinafter detailed. The Managing Agent, if one is employed, shall assist the Board in carrying out its duties, which include, but are not limited to:
- (i) protection, surveillance of the Common Areas, unless the same are otherwise the responsibility or duty of Owners of Lots; provided, however, that this duty shall not include or be deemed or interpreted as a requirement that the Corporation, the Board or any Managing Agent must provide any on-site or roving guards, security service or security system for protection or surveillance, and the same need not be furnished;
 - (ii) the duties delineated under Items 1(n), 1(o), 1(p), 1(q), 1(r) and 1(s) hereof;

- (iii) assessment and collection from the Owners of each Owner's respective share of the Common Expenses;
 - (iv) preparation of the proposed annual budget, a copy of which will be mailed or delivered to each Owner at the same time as the notice of annual meeting is mailed or delivered;
 - (v) preparing and delivering annually to the Owners a full accounting of all receipts and expenses incurred in the prior year; such accounting shall be delivered to each Owner simultaneously with delivery of the proposed annual budget for the current year;
 - (vi) keeping a current, accurate and detailed record of receipts and expenditures affecting the HOA Easements and Pockets and the business and affairs of the Corporation specifying and itemizing the Common Expenses; all records and vouchers (including current copies of the Declaration, Articles of Incorporation, By-Laws and Rules) shall be available for examination by an Owner, Mortgagee, insurer or guarantor of a first mortgage, at any time during normal business hours;
 - (vii) procuring and maintaining for the benefit of the Corporation and the Board the insurance coverages required under the Declaration and such other insurance coverages as the Board, in its sole discretion, may deem necessary or advisable;
 - (viii) paying any other necessary expenses and costs in connection with the duties in subsection (ii) hereof; and
 - (ix) to furnish, upon request of any Mortgagee, insurer or guarantor of a first mortgage, an audited financial statement for the immediately preceding fiscal year.
- (g) Powers of the Board of Directors. The Board of Directors shall have such powers as are reasonable and necessary to accomplish the performance of their duties. These powers include, but are not limited to, the power:
- (i) to employ a Managing Agent to assist the Board in performing its duties;
 - (ii) to purchase, lease or otherwise obtain for the Corporation to enable it to perform its functions and duties, such equipment, materials, labor and services as may be necessary in the judgment of the Board of Directors;
 - (iii) to employ legal counsel, architects, contractors, accountants and other as in the judgment of the Board of Directors may be necessary or desirable in connection with the business and affairs of the Corporation;
 - (iv) to employ, designate, discharge and remove such personnel as in the judgment of the Board of Directors may be necessary for the Board of Directors to perform its duties;
 - (v) to include the costs of all of the above and foregoing as Common Expenses and to pay all of such costs therefrom; and
 - (vi) to open and maintain a bank account or accounts in the name of the Corporation.

- (h) Limitation on Board Action. After the Applicable Date, the authority of the Board of Directors to enter into contracts shall be limited to contracts involving a total expenditure of less than \$2,500.00 without obtaining the prior approval of a majority of the Owners, except that in the following cases such approval shall not be necessary:
- (i) contracts for replacing or restoring portions of the Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and/or Pockets damaged or destroyed by fire or other casualty where the cost thereof is payable out of insurance proceeds actually received;
 - (ii) proposed contracts and proposed expenditures expressly set forth in the proposed annual budget as approved by the Owners at the annual meeting; and
 - (iii) expenditures necessary to deal with emergency conditions in which the Board of Directors reasonably believes there is insufficient time to call a meeting of the Owners.
- (i) Compensation. No Director shall receive any compensation for his services as such except to such extent as may be expressly authorized by a majority vote of the Owners. The Managing Agent, if any is employed, shall be entitled to reasonable compensation for its services, the cost of which shall be a Common Expense.
- (j) Non-Liability of Directors. The Directors shall not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith or gross negligence. The Corporation shall indemnify and hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of contracts made by the Board on behalf of the Corporation, unless any such contract shall have been made in bad faith. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation.
- (k) Additional Indemnity of Directors. The Corporation shall indemnify, hold harmless and defend any person, his heirs, assigns and legal representatives, made a party to any action, suit or proceeding by reason of the fact that he is or was a Director of the Corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in

connection with any appeal therein, except as otherwise specifically provided herein in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director is liable for gross negligence or misconduct in the performance of his duties. The Corporation shall also reimburse to any such Director the reasonable costs of settlement of or judgment rendered in any action, suit or proceeding, if it shall be found by a majority vote of the Owners that such Director was not guilty of gross negligence or misconduct. In making such finding and notwithstanding the adjudication in any action, suite or proceeding against a Director, no Director shall be considered or deemed to be guilty of or liable for negligence or misconduct in the performance of his duties where, acting in good faith, such Director relied on the books and records of the Corporation or statement or advice made by or prepared by the Managing Agent (if any) or any officer or employee thereof, or any accountant, attorney or other person, firm or corporation employed by the Corporation to render advice or service unless such Director had actual knowledge of the falsity or incorrectness thereof; nor shall a Director be deemed guilty of or liable for negligence or misconduct by virtue of the fact that he failed or neglected to attend a meeting or meeting of the Board of Directors.

- (1) Bond. The Board of Directors shall provide blanket fidelity bonds for the Managing Agent (if any), the treasurer of the Corporation, and such other officers or directors of the Corporation that handle or are responsible for funds indemnifying the Corporation against larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, and other acts of fraud or dishonesty, in such sums and with such sureties as may be approved by the Board of Directors (provided, however, in no event shall the aggregate amount of the bond be less than a sum equal to three (3) months aggregate assessments on all Dwelling Units) and any such bond shall specifically include protection for any insurance proceeds received for any reason by the Board. Fidelity bonds shall name the Corporation as an obligee and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees"

or similar terms or expressions. Such bonds shall provide that they may not be cancelled or substantially modified for any reason without at least ten (10) days prior written notice to the Corporation. The expense of any such bonds shall be a Common Expense.

8. Initial Management. The Board of Directors has entered or will hereafter enter into a management agreement with DECLARANT or with a corporation or other entity affiliated with DECLARANT or designated by DECLARANT for a term not to exceed three (3) years with either party having the right to terminate upon ninety (90) days' notice under which DECLARANT (or such other corporation or entity as appropriated) will provide supervision, management and maintenance of the HOA Easements and Pockets, and in general perform all of the duties and obligations of the Corporation. Such management agreement may be renewed by the parties for additional terms of three (3) or less years or a new management agreement with different parties may be executed under similar terms and conditions. Any management agreement is or will be subject to termination by DECLARANT (or such other corporation or entity as appropriate) at any time prior to expiration of its term, in which event the Corporation shall thereupon and thereafter resume performance of all of its duties and obligations. Notwithstanding anything to the contrary contained herein, so long as a management agreement between the Corporation and DECLARANT (or such other corporation or entity as appropriate) is in effect, DECLARANT (or such other corporation or entity as appropriate) shall have and DECLARANT hereby reserves to itself (or such other corporation or entity as appropriate), the exclusive right to manage the HOA Easements and Pockets and perform all the functions of the Corporation.

9. Real Estate Taxes. Real estate taxes are to be separately assessed and taxed to each Lot. In the event that for any year the real estate taxes are not separately assessed and taxed to each Lot but are assessed and taxed on the "TRACT" and "ADDITIONAL TRACT" or part thereof as a whole, without a breakdown for each Lot, then each Owner shall pay his proportionate share of the real estate taxes assessed to the land comprising the "TRACT" and "ADDITIONAL TRACT" or that part thereof that is assessed as a whole, which shall be the ratio that the square footage in his Lot bears to the total square footage of all the land comprising the "TRACT" and "ADDITIONAL TRACT" or part thereof assessed as a whole, and shall pay his proportionate share of the real estate taxes assessed on the improvements on

the "TRACT" and "ADDITIONAL TRACT" or part thereof assessed as a whole based upon the ratio that the square footage of all improved Lots.

10. Utilities. Each Owner shall pay for his own utilities which are separately metered. Utilities which are not separately metered, if any, shall be treated as and paid as part of the Common Expense unless otherwise determined by the Corporation.

11. Maintenance, Repairs and Replacements. Maintenance, repairs, replacements and upkeep of the Common Areas, the Landscape Islands, Landscape and Non-Access Easements and Pockets, as detailed in this Declaration, shall be furnished by the Corporation as a part of its duties and the cost thereof shall constitute a part of the Common Expenses.

Each Owner shall be responsible for maintaining and keeping his Lot and all improvements thereon in a good, clean and sanitary condition except as modified by Item 1(p) and 1(q) hereof.

Notwithstanding any obligation or duty of the corporation to repair or maintain aforesaid if, due to the willful, intentional or negligent acts or omissions of an Owner or of a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused, or if maintenance, repairs or replacements shall be required thereby which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Corporation, unless such loss is covered by the Corporation's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Corporation the cost of repairing such damage shall be added to and become a part of the assessment to which such Owner's lot is subject.

If any Owner shall fail so to maintain and keep his property or any part thereof in a good, clean and sanitary condition, exclusive of dwelling maintenance, the Corporation may perform any work necessary to do so and charge the Owner thereof for such cost, which cost shall be added to and become a part of the Owner's assessment, and such cost shall be immediately due, and shall be secured by the Corporation's lien on the Owner's property.

So long as the "TRACT" is subject to this Declaration each Owner, by his acceptance of a deed to any Lot, irrevocably grants the Corporation, its agents and employees, the right to enter upon, across and

over the Lot owned by such Owner under such conditions as are reasonably necessary to effect the maintenance, cleaning, repair or other work contemplated herein.

12. Architectural Control.

- (a) The Architectural Review Board. As a standing committee of the Corporation there shall be, and hereby is, established an Architectural Review Board consisting of three (3) or more persons as may, from time to time, be provided in the By-Laws. Until the Applicable Date, the Architectural Review Board shall be the Initial Board of Directors. After the Applicable Date, the Architectural Review Board shall be appointed by the Board of Directors.
- (b) Purpose. The Architectural Review Board shall regulate the external design, appearance, use and location of improvements on the Real Estate in such manner as to preserve and enhance values and to maintain a harmonious relationship among structures, improvements and the natural vegetation and topography.
- (c) Conditions. No improvements, alterations, repairs, excavation, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot was first conveyed in fee by the DECLARANT to an Owner shall be made or done without the prior approval of the Architectural Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, Dwelling Unit, change in the Common Areas, Landscape Islands, Landscape and Non-Access Easements, Cul de Loops or Pockets, or other structure shall be commenced, erected, maintained, improved, altered, made or done on any Lot without the prior written approval of the Architectural Review Board.
- (d) Procedures. In the event the Architectural Review Board fails to approve, modify or disapprove in writing an application within thirty (30) days after such application (and all plans, drawings, specifications and other items required to be submitted to it in accordance with such rules as it may adopt) have been given to it, approval will be deemed granted by the Architectural Review Board. A decision of the Architectural Review Board may be

appealed to the Board of Directors which may reverse or modify such decision by a two-thirds (2/3rds) vote of the Directors then serving. The Architectural Review Board may establish committees consisting of two (2) or more of its members, which committees shall exercise such powers of the Board as may be delegated to them.

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

13. Assessments.

- (a) Annual Accounting. Annually, after the close of each fiscal year of the Corporation and prior to the date of the annual meeting of the Corporation next following the end of such fiscal year, the Board shall cause to be prepared and furnished to each Owner a financial statement prepared by a certified public accountant or firm of certified public accountants then servicing the Corporation, which statement shall show all receipts and expenses received, incurred and paid during the preceding fiscal year.
- (b) Proposed Annual Budget. Annually, before the date of the annual meeting of the Corporation, the Board of Directors shall cause to be prepared a proposed annual budget for the current fiscal year estimating the total amount of the Common Expenses for the current fiscal year and shall furnish a copy of such proposed budget to each Owner at or prior to the time the notice of such annual meeting is mailed or delivered to such Owners. The annual budget shall be submitted to the Owners at the annual meeting of the Corporation for adoption, and, if so adopted, shall be the basis for the Regular Assessments (hereinafter defined) for the current fiscal year. At the annual meeting of the Owners, the budget may be approved in whole or in part or may be amended in whole or in part by a majority vote of the Owners; provided, however, that in no event shall the

annual meeting of the Owners be adjourned until an annual budget is approved and adopted at such meeting, either the proposed annual budget or the proposed annual budget as amended. The annual budget, the Regular Assessments and all sums assessed by the Corporation shall be established by issuing generally accepted accounting principles applied on consistent basis.

The annual budget may include the establishment and maintenance of a replacement reserve fund for capital expenditures and replacement of the Common Areas, Landscape Island, Landscape and Non-Access Easement, Cul de Loops and Pockets, which replacement reserve fund (if established) shall be used for those purposes and not for usual and ordinary repair expenses. Such replacement reserve fund for capital expenditures and replacement with the Common Areas, Landscape Islands, Landscape and Non-Access Easement and/or Pockets shall be maintained by the Corporation in a separate interest bearing account or accounts with one or more banks or savings and loan associations authorized to conduct business in Johnson County, Indiana selected from time to time by the Board.

The failure or delay of the Board of Directors to prepare a proposed annual budget and to furnish a copy thereof to the Owners shall not constitute a waiver or release in any manner of the obligations of the Owners to pay the Common Expenses are herein provided, whenever determined. Whenever, whether before or after the annual meeting of the Corporation, there is no annual budget approved by the Owners as herein provided for such current fiscal year, the Owners shall continue to pay Regular Assessments based upon the last approved budget or, at the option of the Board, based upon one hundred ten percent (110%) of such last approved budget, as a temporary budget.

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

Owner shall be given written notice of such assessment against his respective Lot (herein called the "Regular Assessment"). In the event the Regular Assessment for a particular fiscal year is initially based upon a temporary budget, such Regular Assessment shall be revised, within fifteen (15) days following adoption of the final annual budget by the Owners, to reflect the assessment against each Lot based upon such annual budget as finally adopted by the Owners. The aggregate amount of the Regular Assessments shall be equal to the total amount of expenses provided and included in the final annual budget, including reserve funds as hereinabove provided. The regular Assessment against each Lot shall be paid in advance in quarterly installments commencing on the first day of the first month of each fiscal year and quarterly thereafter. Payment of these installments of the Regular Assessment shall be made to the Board of Directors or the Managing Agent, as directed by the Board of Directors; provided, however, Owners may elect to pay assessments semi-annually or annually, in advance. In the event the Regular Assessment for a particular fiscal year of the Corporation was initially based upon a temporary budget, then:

- (i) if the Regular Assessment based upon the final annual budget adopted by the Owners exceeds the amount of the Regular Assessment based upon the temporary budget, that portion of such excess applicable to the period from the first day of the current fiscal year to the date of the next payment of the Regular Assessment which is due shall be paid with such next payment, and all payments thereafter during such fiscal year, shall be increased so that the Regular Assessment as finally determined shall be paid in full by the remaining payments due in such fiscal year, or
- (ii) if the Regular Assessment based upon the temporary budget exceeds the Regular Assessment based upon the final annual budget adopted by the Owners, such excess shall be credited against the next payment or payments of the Regular Assessment coming due, until the entire amount of such excess has been so credited;

provided, however, that if an Owner had paid his Regular Assessment either semi-annually or annually in advance, then the adjustments set forth under (i) or (ii) above shall be made by a cash payment by, or refund to, the Owner on the first day of the second month following the determination of the Regular Assessment based upon the annual budget finally adopted by the Owners.

The Regular Assessment for the current fiscal year of the corporation shall become a lien on each separate Lot as of the first day of each fiscal year of the Corporation, even though the final determination of the amount of such Regular Assessment may not have been made by that date. The fact that an Owner has paid his Regular Assessment for the current fiscal year in whole or in part based upon a temporary budget and thereafter, before the annual budget and Regular Assessment are finally determined, approved and adjusted as herein provided sells, conveys or transfers his Lot or any interest therein, shall not relieve or release such Owner or his successor as Owner of such Lot from Payment of the Regular Assessment for such Lot as finally determined, and such Owner and his successor as Owner of such Lot shall be jointly and severally liable for the Regular Assessment as finally determined. Any statement of unpaid assessments furnished by the Corporation pursuant to Paragraph 16 hereof prior to the final determination and adoption of the annual budget and Regular Assessment for the year in which such statement is made shall state that the matters set forth therein are subject to adjustment upon determination and adoption of the final budget and Regular Assessment for such year, and all parties to whom any such statement may be delivered or who may rely thereon shall be bound by such final determinations. Quarterly installments of Regular Assessments shall be due and payable automatically on their respective due date without any notice from the Board or the Corporation, and neither the Board nor the Corporation shall be responsible for providing any notice or statements to Owners for the same.

- (d) Special Assessments. From time to time Common Expenses of an unusual or extraordinary nature or not otherwise anticipated may arise. At such time and provided that any such assessment shall have the assent of two-thirds (2/3rd) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, and further provided that the DECLARANT shall not be any Owner's agent, attorney-in-fact or proxy in this vote pursuant to the third sentence of Paragraph 7 of this Declaration, the Board of Directors shall have the full right, power and authority to make

special assessments which, upon resolution of the Board, shall become a lien on each Lot, prorated in equal shares (herein called "Special Assessment"). Without limiting the generality of the foregoing provisions, Special Assessments may be made by the Board of Directors from time to time to pay for capital expenditures and to pay for the cost of any repair or reconstruction of damage caused by fire or other casualty or disaster to the extent insurance proceeds are insufficient therefor under the circumstances described in this Declaration.

- (e) Regular Assessments Prior to the Applicable Date. During the period that Dwelling Units are being constructed within the "TRACT" or any "ADDITIONAL TRACT", it is difficult to accurately allocate the Common Expenses to the individual Lots. The purpose of this section is to provide the method for the payment of the Common Expenses during the period prior to the Applicable Date to enable the Corporation to perform its duties and functions. Accordingly, and notwithstanding any other provision contained in the Declaration, the Articles or the By-Laws or otherwise, prior to the Applicable Date, the annual budget and all Regular Assessments and Special Assessments shall be established by the Initial Board without any meeting or concurrence of the Owners; provided, however, the Regular Assessments shall be determined in accordance with the provisions contained in this subparagraph.

The Corporation will enter into a management agreement with DECLARANT (or a corporation or other entity designated by DECLARANT) (hereinafter referred to as "Management Agent" or "Managing Agent") in accordance with the provisions of Paragraph 8 of this Declaration. So long as such management agreement (or similar agreement) remains in effect, the Common Expenses and Regular Assessment shall be paid by Owners to Management Agent. DECLARANT shall guarantee that until the earlier of (1) termination of said management agreement or (2) 1 year after the date of execution, the quarterly Regular Assessment shall not exceed Twenty five Dollars (\$ 25⁰⁰/_{xx}) (the "Guaranteed Charge:). After this date (assuming that said

management agreement or similar agreement is still in effect) and so long thereafter as said management agreement (or similar agreement) remains in effect and Management Agent continues to perform such functions, DECLARANT guarantees that the quarterly Regular Assessment shall not exceed the amount of the Guaranteed Charge for each year. Such adjustments to the Guaranteed Charge (up to a twenty percent (20%) increase as determined by the Board) shall be made annually on January 1 of each year so long as said management agreement remains in effect and management Agent continues to perform such functions. Such quarterly charge shall during such guaranteed period entirely defray the Owner's obligation for his share of Common Expenses or shall be the Owner's entire Regular Assessment. DECLARANT shall be responsible for any deficit during such guarantee period; provided, however, that this guarantee is not intended to include, and does not include, major physical alterations or other unusual expenditures not ordinarily anticipated in normal maintenance operations. Such expenditures would be covered through Special Assessments, or if sufficient the replacement reserve fund, if any such fund exists.

That portion of the Regular Assessment collected by DECLARANT prior to the Applicable Date applicable to any replacement reserve created shall be held by the initial Board and if required, applied to the replacement required in the Common Areas, Landscape islands, Landscape and Non-Access Easement, Cul de Loop and/or Pockets. To the extent that any such replacement reserve is not so applied, the balance thereof shall be retained by the Corporation at the Applicable Date. Payment of Regular Assessment prior to the Applicable Date with respect to each Dwelling Unit (that is not owned by DECLARANT) shall commence on the date of conveyance by DECLARANT to such new owner. The first payment shall be payable on the date of conveyance prorated to the first day of the quarterly period next ensuing. Thereafter, payment of the Regular Assessment shall be paid the first day of each quarterly period thereafter during the period prior to the Applicable Date. DECLARANT SHALL NOT BE RESPONSIBLE FOR REGULAR

ASSESSMENTS FOR LOTS OWNED BY DECLARANT NOT OCCUPIED OTHER THAN BY DECLARANT SO LONG AS THE CLASS B MEMBERSHIP IS IN EXISTENCE.

Each Owner hereby authorizes the Corporation and the Board of Directors and its officers to enter into the aforesaid management agreement described in Paragraph 8 of this Declaration and to adhere to and abide by the same.

- (f) Failure of Owner to Pay Assessments. No Owner may exempt himself from paying regular Assessments and Special Assessments or from contributing toward the Common Expense or toward any other expense lawfully agreed upon by waiver of the use or enjoyment of the Common Areas, Landscape Islands, Cul de Loops or Pockets or by abandonment of the Lot belonging to him. Each Owner shall be personally liable for the payment of all Regular and Special Assessments. Where the Owner constitutes more than one person the liability of such person shall be joint and several. If any Owner shall fail, refuse or neglect to make any payment of any Regular Assessment or Special Assessment when due, the lien for such assessment on the Owner's Lot and Dwelling Unit may be filed and foreclosed by the Board of Directors for and on behalf of the Corporation as a mortgage on real property or as otherwise provided by law. Upon the failure of the Owner to make timely payments of any Regular Assessment or Special Assessment when due the Board may in its discretion accelerate the entire balance of unpaid assessments the Owner and any occupant of the Lot and Dwelling Unit shall be jointly and severally liable for the payment to the Corporation and the Board shall be entitled to the appointment of a receiver for the purpose of preserving the Lot and Dwelling Unit and to collect the rentals and other profits therefrom for the benefit of the Corporation to be applied to the unpaid Regular Assessments or Special Assessments. The Board may at its option bring suit to recover a money judgment for any unpaid Regular Assessment or Special Assessment without foreclosing or waiving the lien securing the same. In any action to recover a Regular Assessment or Special Assessment whether by foreclosure or

otherwise, the Board for and on behalf of the Corporation shall be entitled to recover from the Owner of the respective Lot and Dwelling Unit costs and expenses of such action incurred (including, but not limited to, reasonable attorney's fees) and interest from the date such assessment were due until paid at the rate equal to the prime interest rate then being charged by Indiana National Bank & Trust Company of Indianapolis to its largest and best corporate customer (or if said bank is no longer in existence then such rate charged by another National Bank in Marion County, Indiana selected by the Board of Directors). The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage.

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

14. Mortgages.

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

maintained by the Secretary and any notice required to be given to the Mortgagee pursuant to the terms of this Declaration, the By-Laws or otherwise shall be deemed effectively given if mailed to such Mortgagee at the address shown in such record at the time provided. Unless notification of any such mortgage and the name and address of Mortgagee are furnished to the Secretary, either by the Owner or the Mortgagee, no notice to any Mortgagee as may be otherwise required by this Declaration, the By-Laws or otherwise shall be required by this Declaration, the By-Laws shall be required and no Mortgagee shall be entitled to vote on any matter to which he otherwise may be entitled by virtue of this Declaration, the By-Laws, a proxy granted to such Mortgagee in connection with the mortgage, or otherwise.

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

- (b) Notice of Unpaid Assessments. The Corporation shall, upon request of a Mortgagee, a proposed mortgagee, or a proposed purchaser who has a contractual right to purchase a Lot, furnish to such Mortgagee or purchaser a statement setting forth the amount of the unpaid Regular Assessments or Special Assessments or other charges against the Lot, which statement shall be binding upon the Corporation and the Owners, and any Mortgagee or grantee of the Lot shall not be liable for nor shall the Lot conveyed be subject to a lien for any unpaid assessments or charges in excess of the amounts set forth in such statement or as such assessments may be adjusted upon adoption of the final annual budget, as referred to in Paragraph 13 hereof.
- (c) Right of Mortgagee to Pay Real Estate Taxes or Insurance Premiums. Mortgagees shall have the right, but not the obligation (1) to pay any charges against the Common Areas, Landscape Island, Cul de Loops and Pocket areas which are in default and (2) to pay any overdue premiums on hazard insurance for the above areas or to secure new hazard

insurance for the above areas on the lapse of a policy. Any Mortgagee making such payment shall be owed immediately reimbursement by the Corporation.

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

15. Insurance.

- (a) Casualty Insurance. The Corporation shall purchase a master casualty insurance policy affording fire and extended coverage insurance insuring the Corporation's improvements with the Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and the Pockets in an amount consonant with the full replacement value of these improvements. If the Board of Directors can obtain such coverage for reasonable amounts they shall also obtain "all risk" coverage. The Board of Directors shall be responsible for reviewing at least annually the amount and type of such insurance and shall purchase such additional insurance as is necessary to provide the insurance required above. Such insurance coverage shall be for the benefit of each Owner, and if applicable, the Mortgagee of each Owner upon the terms and conditions hereinafter set forth.

All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Corporation as hereinabove set forth shall be paid to it or to the Board of Directors, who shall act as the insurance trustees and hold such proceeds for the benefit of the individual Owners and Mortgagees. The proceeds shall be used or disbursed by the Corporation or Board of Directors, as appropriate, and only in accordance with the provisions of this Declaration and any surety bond or bonds obtained by the Board of Directors concerning the officers of the Corporation as provided in the By-Laws

shall specifically include protection for any insurance proceeds so received.

Such master casualty insurance policy, and "all risk" coverage, if obtained, shall (to the extent the same are obtainable) contain provisions that the insurer (a) waives its right to subrogation as to any claim against the Corporation, the Board of Directors, its agents and employees, Owners, their respective agents and guests, and (b) contains an endorsement that such policy shall not be terminated for nonpayment of premiums or for any other reason or shall not be substantially modified without at least ten (10) days prior written notice to Mortgagees and at least ten (10) days prior written notice to the Corporation.

Each Owner shall otherwise be solely responsible for loss or damage to his Dwelling Unit, the contents of his dwelling Unit and Lot however caused and his personal property stored elsewhere on the "TRACT" and the Corporation shall have no liability to the Owner for loss or damage to the Dwelling Unit, the contents of any Dwelling Unit or any personal property stored elsewhere on the "TRACT". Each Owner shall be solely responsible for obtaining his own insurance to cover any such loss and risk.

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

(c) Other Insurance. The Corporation shall also obtain any other insurance required by law to be maintained including, but not limited to, workmen's compensation and occupational disease insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate, including, but not limited to, liability insurance on vehicles owned or leased by the Corporation and officers' and directors' liability policies. Such insurance shall inure to the benefit of each Owner, the Corporation the Board of Directors and any Managing Agent acting on behalf of the Corporation. Each Owner shall be deemed to have delegated to the Board of Directors his right to adjust with the insurance companies all losses under the policies purchased by the Board of Directors policies purchased by the Board of Directors the proceeds of which are payable to the Board or the Corporation.

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

16. Restoration of Common Area, Landscape Island, Landscape and Non-Access Easement, Cul de Loops and Pocket Improvements ("Improvements"). In the event of damage to or destruction of any of the "Improvements" herein titled due to fire or any other casualty or disaster, the Corporation shall promptly cause the same to be repaired and reconstructed. The proceeds of insurance carried by the Corporation, if any, shall be applied to the cost of such repair and reconstruction.

In the event the insurance proceeds, if any, received by the Corporation as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction of the "Improvements", or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the "Improvements" so damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be assessed by the Corporation against all of the Owners in equal shares. Any such amounts assessed against the Owners shall be assessed as part of the Common Expenses and shall constitute a lien from the time of assessment as provided herein.

For purposes of this Article, repair, reconstruction and restoration shall mean construction or rebuilding the "Improvements" to as near as possible the same condition as they existed immediately prior

to the damage or destruction and with the same type of architecture.

17. Covenants and Restrictions. The following covenants and restrictions on the use and enjoyment of the Lots, Dwelling Units, Common Areas, Landscape Islands, Cul de Loops and Pockets shall be in addition to any other covenants or restrictions contained herein and in the Final Plat, and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by an Owner, or by the Corporation. Present or future Owners or the Corporation shall be entitled to injunctive relief against any violation or attempted violation of any such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation. These covenants and restrictions are as follows:

- (a) All Lots and Dwelling Units shall be used exclusively for residential purposes and for occupancy by a single family.
- (b) No Owner shall permit anything to be done or kept in his Dwelling Unit or on his Lot or on any of the Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops or Pockets which will result in a cancellation of insurance or increase in insurance because of any such action, or which would be in violation of any law or ordinance or the requirements of any insurance underwriting or rating bureau.
- (c) No nuisance shall be permitted and no waste shall be committed in any Dwelling Unit, the Common Areas, Landscape Easement, Landscape and Non-Access Easement, Cul de Loops or Pockets or on any Lot. The Board of Directors determination as to what is a nuisance shall be conclusive.
- (d) No Owner shall cause or permit anything to be hung or displayed on the outside of the windows of his Dwelling Unit or placed on the outside walls of any building, and no sign, awning, canopy, shutter or radio or television antenna or other attachment or thing shall be affixed to or placed upon the exterior walls or roofs or any other parts of any building without the prior consent of the Architectural Review Board.
- (e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling

Unit or on any Lot or any of the Common Areas, Landscape Islands, Cul de Loops or Pockets, except that pet dogs, cats or customary household pets may be kept in a Dwelling Unit, provided that such pet is not kept, bred or maintained for any commercial purpose, and does not create a nuisance. Pets shall be taken outdoors only under leash or other restraint and while attended by its owner and an owner shall be fully liable for any injury or damage to persons or property, including the Common Areas, Landscape Island and Landscape and Non-Access Easements, Cul de Loops and Pockets, caused by his pet. The Board may adopt such other rules and regulations regarding pets as it may deem necessary from time to time. Any pet which, in the judgment of the Board, is causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the "TRACT" within ten (10) days after written notice from the Board to the respective Owner to do so.

- (f) The Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and Pockets shall be kept free and clear of rubbish, debris and other unsightly materials.
- (g) No industry, trade, or other commercial or religious activity, educational or otherwise, designed for profit, altruism or otherwise, shall be conducted, practiced or permitted on the "TRACT".
- (h) No "for sale", "for rent" or "for lease" signs, or other signs, or other window or advertising display shall be maintained or permitted on any part of the "TRACT", and Lot or any Dwelling Unit without the prior consent of the Board; provided, however, that the right is reserved by the DECLARANT and the Board to place or allow to be placed "for sale" or "for lease" signs on or about the "TRACT" in connection with any unsold or unoccupied Lots and Dwelling Units.
- (i) All Owners and members of their families, their guests, or invitees, and all occupants of any Dwelling Unit or other persons entitled to use the same and to use and enjoy the Common Areas, Landscape Islands, Cul de Loops and Pockets or any part thereof, shall

observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the common Areas, Landscape Islands, Cul de Loops and Pockets.

- (j) No boats, campers, trailers of any kind, buses, mobile homes, recreational vehicles, trucks (larger than 3/4 ton), motorcycles, mini bikes, or mopeds shall be permitted, parked or stored anywhere within the "TRACT" except as otherwise specifically permitted by the Board. No repair work shall be done on the "TRACT" on any vehicles, including passenger automobiles.
- (k) No Owner shall be allowed to plant trees, landscape or do any gardening in any of the Common Areas, Landscape Islands, Landscape, Cul de Loops and Non-Access Easement and Pockets, except with express permission from the Board.
- (l) The Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and Pockets shall be used and enjoyed only for the purposes for which it is designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board including, but not limited to:
 - No motorized boating or sailboats shall be permitted on the Lake.
 - Private dock facilities may not be installed into the Lake.
 - No swimming shall be permitted in the Lake.
- (m) No Owner may rent or lease his Dwelling Unit for transient or hotel purposes.
- (n) Any Owner who leases a Dwelling unit shall lease the entire Dwelling Unit and shall have a written lease which shall provide that the lease is subject to the provisions of the Declaration and any failure of the lessee to comply with the terms of the Declaration, shall be a default under the lease.

Notwithstanding anything to the contrary contained herein or in the Articles or By-Laws, including, but not limited to, any covenants and restrictions set forth herein or otherwise, DECLARANT shall have the right to use and maintain any Lots and Dwelling Units owned by DECLARANT and other portions of the "TRACT" (other than individual Dwelling Units and Lots owned by persons other than DECLARANT), all of such number and size and at such locations as DECLARANT in its sole discretion may determine,

as DECLARANT may deem advisable or necessary in its sole discretion to aid in the construction of Dwelling Units and the sale of Lots and Dwelling Units or for the conducting of any business or activity attendant thereto, including, but not limited to model Dwelling Units, storage areas, construction yards, signs, construction offices, sales offices, management offices and business offices. DECLARANT shall have the right to relocate any or all of the same from time to time as it desires. DECLARANT shall have the right to remove the same from the "TRACT" at any time.

18. Amendment of Declaration.

(a) Generally. Except as otherwise provided in this Declaration, amendments to this Declaration shall be proposed and adopted in the following manner:

- (i) Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of the meeting at which the proposed amendment is to be considered.
- (ii) Resolution. A resolution to adopt a proposed amendment may be proposed by the Board of Directors of Owners having in the aggregate at least a majority of the votes of all Owners.
- (iii) Meeting. The resolution concerning a proposed amendment must be adopted by the designated vote at a meeting duly called and held in accordance with the provisions of the By-Laws.
- (iv) Adoption. Any proposed amendment to this Declaration must be approved by a vote of not less than seventy-five percent (75%) in the aggregate of the votes of all Owners. In the event any Lot or Dwelling Unit is subject to a first mortgage, the Mortgagee shall be notified of the meeting and the proposed amendment in the same manner as an Owner if the Mortgagee has given prior notice of its mortgage interest to the Board of Directors in accordance with the provisions hereof.
- (v) Special Amendments. No amendment to this Declaration shall be adopted which changes (1) the applicable share of an Owner's liability for the Common Expenses, or the method of determining the same, or (2) the provisions of this Declaration of Paragraph 15 with respect to casualty insurance or fidelity bonds to be maintained by the Corporation, or (3) the provisions of Paragraph 16 of this Declaration with respect to reconstruction or repair of the Common Areas, Landscape Islands, Cul de Loops and Pockets in the event of fire or any other casualty or disaster, or (4) the provision of Paragraph 12 of this Declaration establishing the Architectural Review Board and providing for its functions, or (5) the provisions of paragraph 13 of this Declaration with respect to the commencement of assessments of any Lot, without, in each and any of such circumstances, the unanimous approval of all Owners and of all Mortgagees whose mortgage interest have been made known to the Board of Directors in accordance with the provisions of this Declaration.

- (vi) Additional Special Amendments. No amendment to this Declaration shall be adopted which imposes a right to first refusal or similar restriction or which changes (1) the method of voting, or (2) reserves for, and responsibility for, maintenance, repair and replace of the Common Area, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and Pockets, or (3) right to use the Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and Right-of-Way Pockets, or (4) annexation of property to the "TRACT" (other than as provided in Paragraph 19), or (5) the leasing of Dwelling Units, or (6) termination of the applicability of this Declaration, or (7) any provisions which are for the express benefit of Mortgagees without the consent of at least ninety percent (90%) of the votes of the Owners for the first twenty (20) years after recording of this Declaration and thereafter at least seventy-five percent (75%) of the votes of Owners and the consent of Mortgagees holding mortgages on fifty percent (50%) of the Dwelling Units subject to mortgages.
- (vii) Recording. Each amendment to the Declaration shall be executed by the President and Secretary of the Corporation and shall be recorded in the office of the Recorder of Johnson County, Indiana, and such amendment shall not become effective until so recorded.
- (viii) Failure of Mortgagee to Respond. Any Mortgagee who receives a written request to approve an amendment and fails to give a negative response within thirty (30) days after receiving such request shall be deemed to have approved such request.
- (b) Amendments by DECLARANT ONLY. Notwithstanding the foregoing or anything elsewhere contained herein or in any other documents, the DECLARANT shall have and hereby reserves the right and power, acting alone and without the consent or approval of the Owners, the Corporation, the Board of Directors, any Mortgagees or any other person to amend or supplement this Declaration at any time from time to time if such amendment or supplement is made (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and Dwelling Units, (c) to bring this Declaration into compliance with any statutory requirements, or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (e) adopt amendments prior to the Applicable Date which are not materially adverse

to the owners. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the DECLARANT to vote in favor of, make, or consent to any amendments described in this Paragraph on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot or Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the DECLARANT to vote in favor of, make, execute and record any such amendments. The right of the DECLARANT to act pursuant to rights reserved or granted under this Paragraph shall terminate at such time as the DECLARANT no longer holds or controls title to any part or portion of the "TRACT".

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

19. Annexation of "ADDITIONAL TRACT". In addition to the "TRACT", DECLARANT and/or "FEE OWNER" are the fee simple title owners of certain real estate described in the attached Exhibit "B" which incorporated herein by reference and which is located contiguous to the "TRACT".

Any time prior to 3 years after date of recordation of this Declaration, DECLARANT, without the consent of the Owners may, but is not obligated to, develop the "ADDITIONAL TRACT" or any part thereof (except as modified by zoning commitments filed relative to such additional tracts) and file one or more Supplemental Declarations and Final Plats for such "ADDITIONAL TRACT" or part thereof. Improvements (excluding Dwelling Units) within the area to be annexed must be substantially completed or bonded under the Johnson County Subdivision Ordinance prior to annexation.

In the event the "ADDITIONAL TRACT" or any part of it is platted in a manner as herein stated, the Owners of such Lots in the "ADDITIONAL TRACT" or parts thereof, shall have the same rights and obligations of the Owners herein, and the Corporation shall have the same jurisdiction and authority over such "ADDITIONAL TRACT" or any part of its in a manner described, Declarant shall file a Declaration stating that the "ADDITIONAL TRACT" or any part thereof shall not be developed as contemplated

herein; provided, however, any part of the "ADDITIONAL TRACT" for which a Supplemental Declaration has not be filed by the date herein stated, shall be automatically removed from the possibility of having a common entity which provides for the maintenance, repair, replacement, administration and operation of such part of the "ADDITIONAL TRACT", unless such is established by the Owner in the "TRACT" and those in the "ADDITIONAL TRACT".

Regardless of the method of development of the "ADDITIONAL TRACT" and whether or not all of any part of the "ADDITIONAL TRACT" comes within the jurisdiction of the Corporation or subject to the Declaration, DECLARANT reserves unto itself, its successors and assigns, for the use and benefit of that part of the part of the "ADDITIONAL TRACT" not coming within the jurisdiction of the Corporation or subject to the Declaration and the right and easement to enter upon and if necessary tie into the Common Areas and Landscape and Non-Access Easement of the "TRACT" to either continue the landscape plan mandated by zoning commitments and/or the surface drainage requirements for storm water management.

The assessment which the Owner of each Lot in the "ADDITIONAL TRACT" or part thereof, if within the jurisdiction of the Corpora, shall be obligated to pay equal to that paid by any Owner herein and shall commence on the date of conveyance of such Lot by DECLARANT. No assessment (Regular, Special or otherwise) on any Lot in the "ADDITIONAL TRACT" shall be due until such Lot has been conveyed by DECLARANT or the Dwelling Unit thereon is occupied for residential purposes.

20. Acceptance and Ratification. All present and future Owners, Mortgagees, tenants and occupants of the Lots shall be subject to and shall comply with the provisions of this Declaration, the Articles of Incorporation, and the By-Laws incorporated herein by reference, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, the Articles of Incorporation, the By-Laws, and rules and regulations, as each may be amended or supplemented from time to time, are accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or Tract as though such provisions were recited and stipulated

at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporation, partnership, trusts, associations, or other legal entities who may occupy, use, enjoy or control a Lot or Lots or any part of the "TRACT" in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws, and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

21. Negligence. Each Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees to the extent that such expense is not covered by the proceeds of insurance carried by the Corporation. An Owner shall pay the amount of any increase in insurance premiums occasioned by his misuse of the Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops and/or Pockets.

22. Costs and Attorneys' Fees. In any proceeding arising because of failure of an Owner to make any payments required or to comply with any provision of this Declaration, the Articles of Incorporation, the By-Laws, or the rules and regulations adopted pursuant thereto as each may be amended from time to time, the Corporation shall be entitled to recover its reasonable attorneys' fees incurred in connection with such default or failure.

23. Waiver. No Owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas, Landscape Islands, Landscape and Non-Access Easement, Cul de Loops or Pockets or by abandonment of his Lot.

24. Severability Clause. The invalidity of any covenants, restriction, condition, limitation or other provision of this Declaration, the Articles or the By-Laws, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, the Articles, or the By-Laws, and each shall be enforced to the greatest extent permitted by law.

25. Pronouns. Any reference to the masculine, feminine or neuter gender herein shall, unless the context clearly requires to the contrary, be deemed to refer to and include all genders. And the singular shall include and refer to the plural and vice versa as appropriate.

26. Interpretation. The captions and titles of the various articles, sections, subsection,

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, a Notary Public, in and for said County and State, personally appeared Jerome Martin, who acknowledged the execution of the foregoing Declaration of Covenants and Restrictions of the "TRACT".

WITNESS my hand and Notarial Seal this 4 day of AUG, 1994.

Marilyn J. Duran
Notary Public

My Commission Expires:
12-9-94

MARILYN J. DURAN
Printed
County of Residence: JOHNSON

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public, in and for said County and State, personally appeared Robert K. Yeager, General Partner of Yeager Realty Company, L.P., who acknowledged the execution of the foregoing "Declaration of Covenants and Restrictions of the "TRACT", on behalf of said Indiana Limited Partnership.

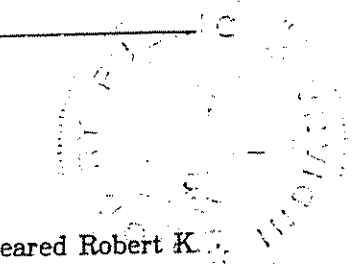
WITNESS my hand and Notarial Seal this 4 day of AUG, 1992.

Marilyn J. Duran
Notary Public

My Commission Expires:
12-9-94

MARILYN J. DURAN
Printed
County of Residence: JOHNSON

This Instrument Prepared by:
Raymond Good, #7201-49
SCHNORR, GOOD & SCAHILL
144 North Delaware Street
Indianapolis, IN 46204-2551
(317) 264-3636
#1-yeager\fair Oaks



MSE 114-0520
07/31/92BEH
#11473

EXHIBIT A

A part of the West Half of the Northwest Quarter of Section 34, Township 14 North, Range 3 East of the Second Principal Meridian in White River Township, Johnson County, Indiana being more particularly described as follows:

Commencing at the Northwest corner of the West Half of said Northwest Quarter; thence North $89^{\circ}13'38''$ East on and along the North line of said West Half 947.93 feet to the Point of Beginning of Parcel "A"; thence continuing North $89^{\circ}13'38''$ East along said North line 383.36 feet; thence South $00^{\circ}16'35''$ West 1151.15 feet to a point said point being Point "A"; thence North $89^{\circ}50'26''$ West 211.74 feet; thence North $50^{\circ}25'07''$ West 50.00 feet to a non-tangent curve concave Northwesterly having a central angle of $07^{\circ}07'14''$ and a radius of 205.00 feet (said curve being subtended by a chord bearing South $43^{\circ}08'30''$ West with a length of 25.46 feet); thence North $43^{\circ}17'53''$ West 184.96 feet; thence South $72^{\circ}55'06''$ West 64.76 feet; thence North $03^{\circ}56'00''$ East 528.91 feet; thence North $43^{\circ}28'22''$ West 79.56 feet to a non-tangent curve concave Westerly having a central angle of $41^{\circ}49'53''$ and a radius of 260.00 feet; thence Northeasterly along said curve 189.82 feet (said curve being subtended by a chord bearing North $25^{\circ}36'42''$ East with a length of 183.64 feet); thence North $04^{\circ}41'38''$ West 214.42 feet to a point; thence North $00^{\circ}46'22''$ West 50.00 feet to the Point of Beginning of Parcel "A", containing 10.84 acres, more or less, subject to all highways, legal rights-of-way and easements of record.

Together with Parcel "B" described as follows:

Commencing at aforementioned Point "A"; thence South $00^{\circ}16'35''$ West 175.00 feet to the Point of Beginning of Parcel "B"; thence continuing South $00^{\circ}16'35''$ West 893.33 feet; thence North $89^{\circ}50'28''$ West 109.62 feet; thence South $75^{\circ}17'31''$ West 181.57 feet; thence North $08^{\circ}45'04''$ West 167.30 feet to a non-tangent curve concave Northerly having a central angle of $00^{\circ}33'26''$ and a radius of 175.00 feet; thence Northeasterly along said curve 1.70 feet (said curve being subtended by a chord bearing North $80^{\circ}57'47''$ East with a length of 1.70 feet); thence North $05^{\circ}59'57''$ West 190.10 feet; thence South $79^{\circ}54'28''$ West 35.38 feet; thence North $09^{\circ}31'20''$ West 302.99 feet; thence North $15^{\circ}11'28''$ West 128.17 feet; thence North $17^{\circ}33'48''$ West 51.58 feet; thence South $88^{\circ}21'14''$ East 85.77 feet; thence North $14^{\circ}29'58''$ West 48.62 feet; thence North $65^{\circ}32'02''$ East 91.38 feet; thence South $88^{\circ}21'14''$ East 148.46 feet to a non-tangent curve concave Westerly having a central angle of $07^{\circ}16'56''$ and a radius of 325.00 feet; thence Northerly along said curve an arc distance of 41.31 feet (said arc being subtended by a chord having bearing of North $03^{\circ}36'54''$ East and a length of 41.28 feet); thence South $89^{\circ}50'26''$ East 159.57 feet to the Point of Beginning of Parcel "B", containing 7.52 acres, more or less, subject to all highways, legal rights-of-way, and easements of record.

Together with the following:

A part of the West Half of the Northwest Quarter of Section 34, Township 14 North, Range 3 East of the Second Principal Meridian in White River Township, Johnson County, Indiana being more particularly described as follows:

Commencing at the Northwest corner of the West Half of said Northwest Quarter; thence North $89^{\circ}13'38''$ East on and along the North line of said West Half 412.55 feet to the Point of Beginning; thence continuing North $89^{\circ}13'38''$ East along said North line 535.38 feet; thence South $00^{\circ}46'22''$ East 50.00 feet to a point; thence South $04^{\circ}41'38''$ West 214.42 feet to a tangent curve concave Westerly having a central angle of $41^{\circ}49'53''$ and a radius of 260.00 feet; thence Southwesterly along said curve 189.82 feet (said curve being subtended by a chord bearing South $25^{\circ}36'42''$ West with a length of 185.64 feet); thence South $43^{\circ}28'22''$ East 79.56 feet; thence South $03^{\circ}56'00''$ West 528.91 feet; thence North $72^{\circ}55'06''$ East 64.76 feet; thence South $43^{\circ}17'53''$ East 184.96 feet to a non-tangent curve concave Northwesterly having a central angle of $07^{\circ}07'14''$ and a radius of 205.00 feet; thence Northeasterly along said curve 25.48 feet (said curve being subtended by a chord bearing North $43^{\circ}08'30''$ East with a length of 25.46 feet); thence South $50^{\circ}25'07''$ East 50.00 feet; thence South $89^{\circ}50'26''$ East 211.74 feet; thence South $00^{\circ}16'35''$ West 175.00 feet; thence North $89^{\circ}50'26''$ West 159.57 feet to a non-tangent curve concave Westerly having a central angle of $07^{\circ}16'56''$ and a radius of 325.00 feet; thence Southerly along said curve 41.31 feet (said curve being subtended by chord bearing South $03^{\circ}36'54''$ West with a length of 41.28 feet); thence North $88^{\circ}21'14''$ West 148.46 feet; thence South $65^{\circ}32'02''$ West 91.38 feet; thence South $14^{\circ}29'58''$ East 48.62 feet; thence North $88^{\circ}21'14''$ West 85.77 feet; thence South $17^{\circ}33'48''$ East 51.58 feet; thence North $84^{\circ}54'04''$ West 160.13 feet; thence North $53^{\circ}31'14''$ West 111.21 feet to a non-tangent curve concave Northeasterly having a central angle of $00^{\circ}49'23''$ and a radius of 995.00 feet; thence Northeasterly along said curve 14.30 feet (said curve being subtended by a chord bearing North $36^{\circ}53'31''$ East with a length of 14.30 feet); thence North $52^{\circ}41'47''$ West 50.00 feet; thence North $41^{\circ}20'12''$ West 215.69 feet; thence North $09^{\circ}12'46''$ West 351.36 feet; thence North $17^{\circ}23'23''$ East 177.85 feet; thence North $30^{\circ}57'54''$ East 139.55 feet; thence North $02^{\circ}44'17''$ East 42.39 feet; thence North $29^{\circ}59'39''$ West 205.70 feet; thence North $00^{\circ}59'01''$ West 341.17 feet to the Point of Beginning, containing 17.29 acres, more or less, subject to all highways, legal rights-of-way and easements of record.

The above describes parcel contain a grand total of 35.65 acres more or less, and describes those parcels of ground to be known as FairOaks Section I and FairOaks Section II.

EXHIBIT B

A part of the West Half of the Northwest Quarter of Section 34, Township 14 North, Range 3 East of the Second Principal Meridian in White River Township, Johnson County, Indiana being more particularly described as follows:

Beginning at the Northwest corner of the West Half of the Northwest Quarter of said Section 34, thence North $89^{\circ}03'38''$ East on and along the North line of the West Half of the Northwest Quarter of said Section 34, 1331.29 feet to a point on the east line of said West Half; thence South $00^{\circ}16'35''$ West on and along said East line 2665.48 feet to a point on the South line of Said West Half; thence $89^{\circ}18'36''$ West on and along said South line 1332.49 feet to a point on the West line of said West Half; thence North $00^{\circ}18'10''$ West on and along said West Line 2663.58 feet to the Point of Beginning, containing 81.46 acres more or less.

Except the following three parcel:

A part of the West Half of the Northwest Quarter of Section 34, Township 14 North, Range 3 East of the Second Principal Meridian in White River Township, Johnson County, Indiana being more particularly described as follows:

Commencing at the Northwest corner of the West Half of said Northwest Quarter; thence North $89^{\circ}13'38''$ East on and along the North line of said West Half 947.93 feet to the Point of Beginning of Parcel "A"; thence continuing North $89^{\circ}13'38''$ East along said North line 383.36 feet; thence South $00^{\circ}16'35''$ West 1151.15 feet to a point said point being Point "A"; thence North $89^{\circ}50'26''$ West 211.74 feet; thence North $50^{\circ}25'07''$ West 50.00 feet to a non-tangent curve concave Northwesterly having a central angle of $07^{\circ}07'14''$ and a radius of 205.00 feet (said curve being subtended by a chord bearing South $43^{\circ}08'30''$ West with a length of 25.46 feet); thence North $43^{\circ}17'53''$ West 184.96 feet; thence South $72^{\circ}55'06''$ West 64.76 feet; thence North $03^{\circ}56'00''$ East 528.91 feet; thence North $43^{\circ}28'22''$ West 79.56 feet to a non-tangent curve concave Westerly having a central angle of $41^{\circ}49'53''$ and a radius of 260.00 feet; thence Northeasterly along said curve 189.82 feet (said curve being subtended by a chord bearing North $25^{\circ}36'42''$ East with a length of 185.64 feet); thence North $04^{\circ}41'38''$ West 214.42 feet to a point; thence North $00^{\circ}46'22''$ West 50.00 feet to the Point of Beginning of Parcel "A", containing 10.84 acres, more or less, subject to all highways, legal rights-of-way and easements of record.

Together with Parcel "B" described as follows:

Commencing at aforementioned Point "A"; thence South $00^{\circ}16'35''$ West 175.00 feet to the Point of Beginning of Parcel "B"; thence continuing South $00^{\circ}16'35''$ West 893.33 feet; thence North $89^{\circ}50'28''$ West 109.62 feet; thence South $75^{\circ}17'31''$ West 181.57 feet; thence North $08^{\circ}45'04''$ West 167.30 feet to a non-tangent curve concave Northerly having a central angle of $00^{\circ}33'26''$ and a radius of 175.00 feet; thence Northeasterly along said curve 1.70 feet (said curve being subtended by a chord bearing North $80^{\circ}57'47''$ East with a length of 1.70 feet); thence North $05^{\circ}59'57''$ West 190.10 feet; thence South $79^{\circ}54'28''$ West 35.38 feet; thence North $09^{\circ}31'20''$ West 302.99 feet; thence North $15^{\circ}11'28''$ West 128.17 feet; thence North $17^{\circ}33'48''$ West 51.58 feet; thence South $88^{\circ}21'14''$ East 85.77 feet; thence North $14^{\circ}29'58''$ West 48.62 feet; thence North $65^{\circ}32'02''$ East 91.38 feet; thence South $88^{\circ}21'14''$ East 148.46 feet to a non-tangent curve concave Westerly having a central angle of $07^{\circ}16'56''$ and a radius of 325.00 feet; thence Northerly along said curve an arc distance of 41.31 feet (said arc being subtended by a chord having bearing of North $03^{\circ}36'54''$ East and a length of 41.28 feet); thence South $89^{\circ}50'26''$ East 159.57 feet to the Point of Beginning of Parcel "B", containing 7.52 acres, more or less, subject to all highways, legal rights-of-way, and easements of record.

Together with the following:

A part of the West Half of the Northwest Quarter of Section 34, Township 14 North, Range 3 East of the Second Principal Meridian in White River Township, Johnson County, Indiana being more particularly described as follows:

Commencing at the Northwest corner of the West Half of said Northwest Quarter; thence North 89°13'38" East on and along the North line of said West Half 412.55 feet to the Point of Beginning; thence continuing North 89°13'38" East along said North line 535.38 feet; thence South 00°46'22" East 50.00 feet to a point; thence South 04°41'38" West 214.42 feet to a tangent curve concave Westerly having a central angle of 41°49'53" and a radius of 260.00 feet; thence Southwesterly along said curve 189.82 feet (said curve being subtended by a chord bearing South 25°36'42" West with a length of 185.64 feet); thence South 43°28'22" East 79.56 feet; thence South 03°56'00" West 528.91 feet; thence North 72°55'06" East 64.76 feet; thence South 43°17'53" East 184.96 feet to a non-tangent curve concave Northwesterly having a central angle of 07°07'14" and a radius of 205.00 feet; thence Northeasterly along said curve 25.48 feet (said curve being subtended by a chord bearing North 43°08'30" East with a length of 25.46 feet); thence South 50°25'07" East 50.00 feet; thence South 89°50'26" East 211.74 feet; thence South 00°16'35" West 175.00 feet; thence North 89°50'26" West 159.57 feet to a non-tangent curve concave Westerly having a central angle of 07°16'56" and a radius of 325.00 feet; thence Southerly along said curve 41.31 feet (said curve being subtended by chord bearing South 03°36'54" West with a length of 41.28 feet); thence North 88°21'14" West 148.46 feet; thence South 65°32'02" West 91.38 feet; thence South 14°29'58" East 48.62 feet; thence North 88°21'14" West 85.77 feet; thence South 17°33'48" East 51.58 feet; thence North 84°54'04" West 160.13 feet; thence North 53°31'14" West 111.21 feet to a non-tangent curve concave Northeasterly having a central angle of 00°49'23" and a radius of 995.00 feet; thence Northeasterly along said curve 14.30 feet (said curve being subtended by a chord bearing North 36°53'31" East with a length of 14.30 feet); thence North 52°41'47" West 50.00 feet; thence North 41°20'12" West 215.69 feet; thence North 09°12'46" West 351.36 feet; thence North 17°23'23" East 177.85 feet; thence North 30°57'54" East 139.55 feet; thence North 02°44'17" East 42.39 feet; thence North 29°59'39" West 205.70 feet; thence North 00°59'01" West 341.17 feet to the Point of Beginning, containing 17.29 acres, more or less, subject to all highways, legal rights-of-way and easements of record.

The above describes parcel contain a grand total of 45.81 acres more or less, and describes those parcels of ground to be the future sections of FairOaks.

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FIRST SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS OF FAIROAKS PROPERTY OWNERSHIP

Section III, Section IV and Section V

THIS SUPPLEMENTAL DECLARATION is entered into by YEAGER REALTY COMPANY L.P. and JEROME MARTIN d/w/a Myland Development Company ("Declarant") and title owner of FAIROAKS Section III and Section V and MAURICE MCCARTY, title owner of FAIROAKS Section IV.

WITNESSETH:

WHEREAS, the following facts are true:

A. Declarant has fee simple interest as title owner in FairOaks Sections III and IV and a contract purchaser's interest in FairOaks Section V, all located in Johnson County, Indiana and more particularly respectively described in the attached Exhibit "A", Exhibit "B" and Exhibit "C", which is incorporated herein by reference.

B. Declarant has heretofore executed a Declaration of Covenants and Restrictions of FairOaks Property Ownership and a subsequent First Amendment of the Declaration each of which was recorded in the office of the Recorder of Johnson County, Indiana, respectively as Instrument N° 92-15467 (the "Declaration") and N° 92-17682 ("First Amendment"). Only FairOaks, Section I and II have been subjected to the Declaration. The Declaration provided that additional real estate could be subjected to the terms and conditions of the Declaration.

C. FairOaks, Section III, IV and V, are part of the Additional Tract described in paragraph 19 of the Declaration. Paragraph 19 of the Declaration provides that all or part of the Additional Tract may be annexed to and become a part of FairOaks and incorporated into the Declaration with the owners thereof becoming members of the FairOaks Homeowners Association, Inc., in accordance with the provisions of paragraph 19 of the Declaration upon the filing of a Supplemental Declaration by Declarant and the Final Plat of this real estate being incorporated into FairOaks. All conditions relating to the annexation of the Exhibit "A", Exhibit "B" and the Exhibit "C" realty to make it subject to the Declaration have been met and Declarant by execution of this Supplemental Declaration hereby incorporate FairOaks, Section III, Section IV and Section V, into the FairOaks development and the Declaration.

NOW, THEREFORE, Maurice McCarty and Declarant make this Supplemental Declaration as follows:

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1 Declaration Declarant hereby expressly declares that FairOaks, Section III, Section IV and Section V shall be held, conveyed and transferred in accordance with the provisions of the Declaration as if such had originally been included in the Declaration and shall hereafter be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions and provisions of the Declaration as such may be amended from time to time. FairOaks, Section III, Section IV and Section V, hereafter and for all purposes shall be included in the definition of Tract as defined in paragraph 1(a) of the Declaration.

2 Description of FairOaks, Section III, Section IV and Section V. FairOaks, Section III consists of 44 Lots numbered 70 through 119, inclusive. Section IV, consists of 10 Lots numbered 147 through 156, inclusive, with Common Area and Section V, which consists of 27 Lots numbered 120 through 146, inclusive, all as designated on the plat for these designated Sections. The Common Area and the size of the Lots are designed on such plat. The legal description for each Lot in this additional recital shall be as follows:

Lot _____ in FairOaks, Section III (or Section IV or Section V), a subdivision in Johnson County, Indiana, as per plat thereof, recorded on _____, as Instrument No. _____, in the Office of the Recorder of Johnson County, Indiana.

FairOaks now consists of 166 Lots numbered 1 through 166, inclusive.

3 Easements Regardless of the method of development of any other part of the Additional Tract and whether or not all or any part of the remaining Additional Tract becomes subject to the Declaration, Declarant reserves to itself, its successors and assigns, for the use and benefit of that part of the Additional Tract not becoming subject to the Declaration, the right and easement to enter upon the streets and common area of these Sections of FairOaks to provide ingress and egress to the Additional Tract.

Declarant hereby grants to the owner in FairOaks, Section III, Section IV and Section V, the right and easement to enter upon any streets and roadways that may exist in the remaining part of the Additional Tract to provide ingress and egress to these Sections as may be necessary.

It is the purpose and intent of the easements herein granted and reserved to provide free and unrestricted use and access across the roadways and streets of the Tract and the Additional Tract no matter how developed, for the owners of the Tract and the Additional Tract, their guests, invitees and all public and quasi-public vehicles, including but not limited to, police, fire and emergency vehicles, trash and garbage collections, post office vehicles and privately owned delivery vehicles.

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4. Acceptance and Ratification All present and future owners, mortgagees, tenants and occupants of the Lots shall be subject to and shall comply with the provisions of the Declaration. Articles of Incorporation and By Laws incorporated by reference into the Declaration, and the rules and regulations as adopted by the Board of Directors as each may be amended from time to time. The acceptance of a deed of conveyance or the act of occupancy of any Lot shall constitute an agreement that the provisions of the Declaration, the Articles of Incorporation, the By-Laws and rules and regulations, as each may be amended and supplemented from time to time are accepted and ratified by each owner, tenant or occupant and all such provisions shall be covenants running with the land and shall be binding on any person having at any time any interest or estate in a Lot or Tract as if such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. All persons, corporations, partnerships, trusts, associations or other legal entities that may occupy, use, enjoy, or control a Lot or Lots or any part of the Tract in any manner shall be subject to the Declaration, the Articles of Incorporation, the By-Laws and the rules and regulations applicable thereto as each may be amended or supplemented from time to time.

5. Plat of Fair-Oaks, Section III, Section IV and Section V The plat of these Sections are incorporated into the Declaration and this First Supplemental Declaration by reference and will be filed in the Office of the Recorder of Johnson County, Indiana.

IN WITNESS WHEREOF, the undersigned has caused this First Supplemental Declaration as of the date of execution hereof

Maurice H. M. Carthy
 Maurice McCarty,
 Present Owner of Fair-Oaks, Section IV
 MYLAND DEVELOPMENT COMPANY

Jerome Martin
 Jerome Martin
 YEAGER REALTY COMPANY, L.P

By: Robert K. Yeager
 Robert K. Yeager, General Partner

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STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, a Notary Public in and for said County and State, personally appeared Jerome Martin, who acknowledged the execution of the foregoing First Supplemental Declaration.

Witness my hand and Notarial Seal this 3rd day of June, 1993.

Marilyn J. Duran
Notary Public

My Commission Expires:
12-09-94

Marilyn J. Duran
Printed
County of Residence: JOHNSON

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Robert K. Yeager, General Partner of Yeager Realty Company, L.P. who acknowledged the execution of the foregoing First Supplemental Declaration on behalf of said Indiana Limited Partnership.

WITNESS my hand and Notarial Seal this 3rd day of June, 1993.

Marilyn J. Duran
Notary Public

My Commission Expires:
12-09-94

MARILYN J. DURAN
Printed
County of Residence: JOHNSON

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, a Notary Public in and for said County and State, personally appeared Jerome Martin, who acknowledged the execution of the foregoing First Supplemental Declaration.

Witness my hand and Notarial Seal this 3rd day of June, 1993.

Marilyn J. Duran
Notary Public

My Commission Expires:
12 09 94

MARILYN J. DURAN
Printed
County of Residence: JOHNSON

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This Instrument Prepared by:
Raymond Good, #7201-49
Attorney at Law
SCHNORR, GOOD & SCAHILL
144 N Delaware Street
Indianapolis, IN 46204-2551
317/264-3630
#1-Yenger\1stSup Falr-O

EXHIBIT "B"
LAND DESCRIPTION
FAIROAKS SECTION IV

A part of the Northwest Quarter of Section 34, Township 14 North, Range 3 East of the Second Principal Meridian, in White River Township, Johnson County, Indiana, more particularly described as follows:

Beginning at the Southwest corner of said Northwest Quarter; thence North 00°18'10" East 356.67 feet; thence South 79°07'39" East 240.23 feet; thence South 89°41'39" East 228.08 feet; thence North 79°08'26" East 101.22 feet; thence North 73°44'17" East 170.00 feet; thence North 84°32'17" East 88.88 feet; thence North 79°57'56" East 50.00 feet; thence South 10°02'04" East 4.00 feet; thence North 84°08'58" East 135.96 feet; thence North 75°17'31" East 230.49 feet; thence South 89°50'28" East 109.45 feet to a point on the East line of the West Half of said Northwest Quarter; thence South 00°16'35" West along said East line 446.08 feet to the Southeast corner of the West Half of said Northwest Quarter; thence South 89°18'36" West along the South line of said Northwest Quarter 1332.49 feet to the Point of Beginning, containing 11.08 acres more or less, subject to all existing highways, rights-of-way, and easements of record.

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EXHIBIT C

LAND DESCRIPTION
FAIROAKS SECTION IV

A part of the West Half of the Northwest Quarter of Section 34, Township 14 North, Range 3 East, of the Second Principal Meridian, White River Township in Johnson County, Indiana, more particularly described as follows:

Beginning at the Northwest corner of said Section 34; thence North 89°00'36" East along the North line of said Northwest Quarter 412.63 to the Northwest corner of FairOaks Section I, a subdivision in Johnson County, recorded in Plat Book "C" Pages 557A - 557B in the Office of the Recorder of said County; thence the following seven (7) courses along the West boundary of said subdivision: 1) South 00°59'04" East 342.71 feet; 2) South 29°59'41" East 205.70 feet; 3) South 02°44'15" West 42.39 feet; 4) South 30°17'52" West 139.55 feet; 5) South 17°23'21" West 177.85 feet; 6) South 09°12'49" East 35.36 feet; and 7) South 13°45'18" West 168.09 feet to a point on the North line of FairOaks Section III, a subdivision in Johnson County, recorded as Instrument # _____ in the Office of the Recorder of said County; thence the following three (3) courses along the North line of said subdivision: 1) North 89°41'43" West 160.29 feet to a point on a non-tangent curve concave Easterly having a central angle of 02°31'26" and a radius of 475.00 feet; 2) Southerly along said curve an arc distance of 20.92 feet (said arc being subtended by a chord having a bearing of South 03°12'33" East and a length of 20.92 feet); 3) North 89°41'43" West 258.60 feet to a point on the West line of the Northwest Quarter of said Section 34; thence North 00°18'10" East along said West line 1374.22 feet to the Point of Beginning, containing 13.82 acres, more or less, subject to all existing highways, rights-of-way, and easements of record.

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