

APPROVED 4-24-89
WASHINGTON TOWNSHIP ASSESSOR
BY: Allen Paris Real Estate Deputy

APPROVED
DKD-DDS BY: [Signature]
APR 24 89

1988 JUNE 15
MARTIN L. COONROD
TOWNSHIP AUDITOR
APR 24 89 010370
WHY ENTERED FOR
TAXATION
SUBJECT TO FINAL
ACCEPTANCE FOR TRANSFER

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
HARCOURT SPRINGS 890037217

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THIS DECLARATION, made on this 23RD day of JANUARY,
1989, by COVE ASSOCIATES, an Indiana Partnership, ("Declar-

WITNESSES:

WHEREAS, Declarant is the owner of certain real estate (the "Property"), located in Washington Township, Marion County, Indianapolis, Indiana, which is more particularly described in Exhibit "A" attached hereto and by this reference, made a part hereof.

WHEREAS, Declarant desires to subdivide and develop the Property by designating certain portions of the Property as "Common Areas" (as hereinafter defined) to be owned by a homeowners association, (the "Association,"), (as hereinafter defined), and by designating certain other portions of the Property into "Lots" (as hereinafter defined).

NOW, THEREFORE, Declarant hereby declares that all the Property shall be held, sold and conveyed subject to the following easements, restrictions, limitations, covenants and conditions, which are for the purpose of protecting the value and desirability of the Property, which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

RECORDED
APR 24 11:34 AM '89
MARION COUNTY RECORDS

ARTICLE I

Name

The subdivision of the Property created by this Declaration shall be known and designated as HARCOURT SPRINGS, a subdivision located in Marion County, Indiana.

ARTICLE II

Definitions

Section 2.1. "Articles" means the Articles of Incorporation of the Association (as hereinafter defined) filed, or to be filed, with

the Office of the Secretary of State of Indiana, as the same are or hereafter may be amended from time to time.

Section 2.2. "Association" means the HARCOURT SPRINGS HOMEOWNERS ASSOCIATION, INC., a formed or to-be-formed Indiana not-for-profit corporation, its successors and assigns.

Section 2.3. "Board of Directors" means the Board of Directors of the Association.

Section 2.4. "Common Area" means: (1) those portions of the Property (as hereinafter defined), including improvements thereto, facilities and personal property owned, to-be-owned, leased or to-be-leased by the Association from time to time for the common use, benefit and enjoyment of the Owners (as hereinafter defined), and; (2) items deemed Common Area for maintenance purposes only. Unless expressly stated to the contrary, the term Common Area as used herein (whether or not so expressed) shall include all portions of the Property designated as "Common Area" upon the Plat (as hereinafter defined). The Common Area to be conveyed to the Association at the time of conveyance of the first Lot to an Owner is described in the Final Plat of Harcourt Springs-Section One, recorded in the Office of the Recorder of Marion County, Indiana. Additional Common Area may be conveyed by the Declarant to the Association as additional portions of the Property are platted.

Section 2.5. "Common Expenses" shall mean and refer to expenses of administration of the Association, and expenses for the upkeep, maintenance, repair and replacement of the Common Area, and all sums lawfully assessed against the Owners by the Association, and all sums, costs and expenses declared by this Declaration to be Common Expenses.

Section 2.6. "Declarant" means the EAGLE COVE ASSOCIATES, an Indiana Partnership, and its successors and assigns, either in whole or in part, as a declarant.

Section 2.7. "Development Period" means the period of time commencing with Declarant's acquisition of the Property and ending when Declarant has completed the development and sale of, and no longer owns, any Lot or any other portion of the real estate in the Property.

Section 2.8. "Dwelling Unit" means any single-family residence situated upon a Lot.

Section 2.9. "Lot" means any parcel of land designated as such upon the Plat (as hereinafter defined) or, after construction, that parcel of land upon which a Dwelling is constructed that is conveyed to an Owner (as hereinafter defined) by the Declarant. A "Lot" may contain portions of real estate greater or less than its originally

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platted dimensions should the Declarant deem it advisable in order to accommodate the construction of a Dwelling Unit.

Section 2.10. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but otherwise excluding those having such interest merely as security for the performance of an obligation. Unless specifically indicated to the contrary, the term "Owner" shall include the Declarant.

Section 2.11. "Plat" means the subdivision plat of the Property identified as the "FINAL PLAT OF HARCOURT SPRINGS-SECTION ONE", recorded on the 24th day of April, 1989, AS INST.
No. 89-37218
in the Office of the Recorder of Marion County, Indiana, as the same may be hereafter supplemented by law, the addition of other sections or pursuant to this Declaration.

Section 2.12. "Property" means the real estate described in Exhibit "A", and any additions annexed thereto, pursuant to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HARCOURT SPRINGS, as amended from time to time.

ARTICLE III

Property Rights, Easements and Encroachments

Section 3.1. Owners' Easements of Enjoyment of Common Area.
Every Owner shall have a nonexclusive right and easement of enjoyment, in common with all Owners, in and to the Common Area actually owned by the Association which shall be appurtenant to and shall pass with title to every Lot (in the form of a right to membership in the Association), subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities, if any, situated upon the Common Area owned by the Association;

(b) The right of the Association to suspend the voting rights and right to use of any recreational facilities, if any, by any Owner for any period during which any assessment remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to promulgate reasonable rules and regulations governing the use of the Common Area owned by the Association including, without limitation, parking, swimming, boating, fishing, (including the denial thereof of any such rights) and upon improvements, additions or alterations to the Lots and the Common Area owned by the Association;

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(d) The rights of Declarant as provided in this Declaration, as amended;

(e) The right of the Association to mortgage any or all of the Common Area actually owned by the Association, upon the approval of two-thirds (2/3) of the membership of each class of members of the Association;

(f) The easements reserved elsewhere in this Declaration and the right of the Association to grant further reasonable utility and other easements across and through the Common Area owned by the Association for the benefit of its members;

(g) The right of the Association to dedicate or transfer all or any part of the Common Area actually owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members or otherwise allowed pursuant to this Declaration, as amended. No such dedication or transfer, except as allowed pursuant to this Declaration, shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded; and

All other rights, obligations and duties as set forth in this Declaration, as the same may be from time to time amended or supplemented.

Section 3.2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and any reasonable and nondiscriminatory rules and regulations promulgated from time to time by the Association and subject to the rights of others as set forth in Section 3.1, his or her right of enjoyment of the Common Area owned by the Association, to family members, guests, tenants or contract purchasers who reside on the Lot.

Section 3.3. Certain Obligations and Access Rights to the Common Area.

(a) Except as otherwise set forth in this Declaration, the Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the management and control, for the exclusive benefit of the Owners as provided herein, of the Common Area owned by the Association and for the maintenance of the same in good, clean, attractive, safe and sanitary condition, order and repair.

(b) The Association shall have and is hereby granted a general right of access and easement to all of the Common Area owned by the Association and across the Lots, at reasonable times and at any time in case of emergency, as reasonably required by

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its officers, directors, employees and their agents an independent contractors, to the full extent necessary or appropriate to perform its obligations and duties as set forth in this Declaration. The easements and rights specified herein also are reserved for the benefit of Declarant so long as Declarant owns any portion of the Property and for so long as Declarant may be liable under any builder's warranty.

Section 3.4. Drainage, Utility, Sewer and Other Development Easements.

(a) Declarant hereby reserves unto itself during the Development Period, and thereafter unto any public or private utility, an undefined easement ("Drainage, Utility and Sewer Easement") for drainage, utility and sewer purposes in, on and over all of the Common Area owned by the Association and the Lots, so as to permit Declarant to properly install and allow to be maintained all electrical, telephone, water, gas, sanitary and storm sewer, television (including but not limited to cable and/or satellite) transmission facilities, security systems and other utility services (including all necessary lines, pipes, wires, cables, ducts, antennae and other equipment and facilities) to serve any Dwelling Unit constructed on the Property. Utility and Sewer Easement shall include all areas of the Property outside the Dwelling Units, with the exception of any areas covered by chimneys, or patios. Improvements or permanent structures installed within the Common Area owned by the Association are subject to the rights (including the right to remove where reasonably necessary without duty of replacement or reimbursement) of the Declarant and any public or private utility to construct, maintain, repair or remove any necessary facilities. This easement shall be in addition to any easement defined upon a Plat of the Property as a drainage, sewer, utility, cable, transmission, flowage or similar type easement.

(b) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, an easement and right-of-way in and to any water detention or retention areas now or hereafter located within the Common Area of ingress and egress through so much of the remainder of the Property as is reasonably necessary or appropriate, to perform such actions as Declarant or the Association deem necessary or appropriate for the purpose of establishing and maintaining proper surface water drainage throughout the Property, including the construction, repair and maintenance of retention and detention ponds or lakes in accordance with the requirements of applicable law and of all governmental agencies having jurisdiction (without undertaking any obligation or duty to exceed such requirements).

(c) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the right and an

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undefined easement ("Sign and Facilities Easement") to install, erect, construct and maintain an entryway sign or signs, directional signs, lighting, walkways, pathways, fences, walls and any other landscaping, architectural and recreational features or facilities considered necessary, appropriate, useful or convenient, anywhere upon the Property (except upon any Lot after the first conveyance thereof). Any signs shall comply with any applicable zoning requirements and all such facilities shall be maintained by the Association as a part of its Common Area maintenance obligations.

(d) Declarant grants to the owner of the parcel described in Exhibit "B", (the "Adjacent Owner") an easement upon the Property for the sole purpose of constructing an extension of any existing sanitary sewer service located upon the Property to the parcel described in Exhibit "B". Any such extension shall be located if possible at the point nearest the parcel described in Exhibit "B". Any such extension must be constructed in such a fashion so that it will not interfere with Declarant's planned development of the Property not described in the Plat of Section One. This easement shall be subject to all terms and restrictions in this Declaration. This easement shall terminate upon the earliest of the following events:

(i) Extension of sanitary sewer service to the parcel described in Exhibit "B";

(ii) Two (2) years after the date of recording of this Declaration.

(e) Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the full right, title and authority to:

(i) Relocate, alter or otherwise change the location of any Drainage, Flowage, Utility, Sewer and Lake, Sign and Facilities Easement, or any facility at any time located therein or thereon;

(ii) Grant such further easements, licenses and rights-of-way, temporary or permanent, exclusive or non-exclusive, surface or otherwise, as Declarant may deem necessary or appropriate, for ingress and egress, utility and similar purposes on or within any portion of the Property, for the benefit of any of the real estate described in Exhibit "A"; and,

(iii) Describe more specifically or to change the description of any Drainage, Flowage, Utility, Sewer, Lake, Sign, Facilities or similar Easement or any other easement, license or right-of-way now or hereafter existing on the

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Property, by written instrument, amended Plat or amendment to the Plat recorded in the Office of the Recorder of Marion County, Indiana.

(f) The title of the Association (as to the Common Area owned by the Association during the Development Period) and of any Owner of any Lot shall be subject to the rights and easements reserved herein. Provided, however, that the rights reserved in this Section 3.4 shall not be exercised after the conveyance of any Lot in a manner that unreasonably and adversely affects any Dwelling Unit or portion thereof located upon such Lot or the Owner's use or enjoyment thereof, or which unreasonably restricts the rights of ingress and egress to such Lot. The rights and easements reserved by Declarant in this Section 3.4 shall run with the land, and Declarant's right to further alter or grant easements shall automatically terminate and pass to the Association one (1) year after Declarant shall have conveyed the last Lot within the Property.

Section 3.5. Easement for Emergency Purposes. An easement is hereby dedicated and granted for use in the case of an emergency by emergency vehicles such as fire trucks, police cars and ambulances and emergency personnel, public and private, over and upon the Common Area owned by the Association.

Section 3.6. Fee Title to Lot. The fee title to any Lot described as bounded by any street, lane, walkway, park, pond, or any other common property which has not been dedicated or accepted by the public and the fee title to any Lot shown on the recorded plat of HARCOURT SPRINGS abutting upon any such common property shall not extend upon such common property and the fee title to such common property is reserved to the grantor to be conveyed to the Association for the common enjoyment of all residents in HARCOURT SPRINGS.

Section 3.7. Drainage Easements. There are strips of ground upon the Property reserved for drainage easements shown on the plat which are hereby reserved to the Declarant, Association and governmental entities for the installation and maintenance of swales, ditches, pipes, drains, manholes, detention and retention areas or other drainage facilities. Purchasers of lots in this subdivision shall take title subject to the easements hereby created and subject at all times to the rights of proper authorities to service and maintain the drainage facilities and easements hereby created and no permanent structure of any kind and no part thereof except fences which do not retard or impede the flow of drainage water, shall be built, erected or maintained on said drainage easements. It shall be the responsibility of the Association and the owners of the areas enclosed within the drainage easements to maintain such areas in such conditions that the flow of storm drainage waters on, across and from said areas shall not be impeded, diverted or accelerated. Such use for storm water movement or retention or detention is hereby declared

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to be an easement and servitude upon said land for the benefit of the owners of other land included within the plat, upstream or downstream, affected by such use and for any proper governmental agency. Governmental agencies are hereby given the right to obtain access to such areas to perform maintenance and to perform such maintenance as may be necessary to protect that easement and servitude rights. It shall be the responsibility of the Association and the owner of any lot or parcel of land within the plat to comply at all times with the provisions of the drainage plan as approved for this plat by the all required governmental agencies and the requirements of all drainage permits for the plat issued by those agencies. Failure to so comply shall operate as a waiver and release of the developer, his engineer and agents from all liability as to damage caused by storm waters or storm drainage.

Further, there are hereby reserved undefined easements and servitudes upon the Property in favor of surface water runoff along natural valleys and drainage channels running to owners of other land contained within the Plat, upstream and downstream. It shall be the responsibility of the Association and the owners of these natural valleys and channels to use their land and maintain said natural valleys and channels in such manner and condition that the flow of storm drainage waters on, across, from and to such areas shall not be impeded, diverted or accelerated.

Section 3.8. Street Dedication. All streets now or hereafter located upon the Property are hereby dedicated to the public.

ARTICLE IV

Association Membership, Voting Rights, Board of Directors and Professional Management

Section 4.1. Membership. Initially, the person(s) who serve as incorporator(s) of the Association shall be the member(s) (the "Initial Member(s)"). The Initial Member(s) shall remain member(s) of the Association until the Association Articles of Incorporation are accepted by the Indiana Secretary of State, at which time the Initial Member(s) shall cease to be member(s) unless they also qualify as Class A or Class B members. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Apart from the Initial Member(s), a membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

Section 4.2. Classes of Membership and Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest

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in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the members holding an interest in such Lot determine among themselves, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot owned. For purposes of this calculation, it shall be assumed that Declarant owns seventy-eight (78) Lots, which number shall be reduced as Lots are conveyed by the Declarant to an Owner. Should the total number of platted lots within the Property exceed seventy-eight (78), the Declarant's votes shall be increased accordingly. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (a) when the total number of votes outstanding in the Class A membership is equal to the total number of votes outstanding in the Class B membership; or, (b) the last day of December, 1993.

Section 4.3. Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's Articles and By-Laws. The Board of Directors shall manage the affairs of the Association. Directors need not be members of the Association.

Section 4.4. Professional Management. No contract or agreement for professional management of the Association, nor any other contract between Declarant and the Association, shall be for a term in excess of three (3) years. Any such agreement or contract shall provide for termination by either party with or without cause and without payment of any termination fee upon written notice of ninety (90) days or less.

ARTICLE V

Covenant for Maintenance Assessments

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot now or hereafter owned by it within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

(a) Regular Monthly Assessments (for maintenance, repairs and ordinary operating expenses);

(b) Special Assessments for capital improvements and operating deficits, as provided in Section 5.5, and for special maintenance or repairs as provided in Sections 6.21 and 7.1. Such assessments shall be established, shall commence upon such

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dates and shall be collected as hereinafter provided. All such assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

Section 5.2. Roadway Maintenance. The Association shall be responsible for the maintenance of the roadways in the Property, until and unless they are accepted for public dedication. Unless accepted for public dedication, a portion of the Regular Monthly Assessment shall be set aside in a separate insured interest-bearing account for the purpose of maintaining, repairing and replacing the roadways (the "Roadway Assessment"). Any Roadway Assessment shall not be mingled with any other funds or used for any other purpose, except as set forth in this Section 5.2.

Section 5.3. Purpose of Regular Monthly Assessments. The Regular Monthly Assessments levied by the Association shall be used exclusively, in the reasonable discretion of the Board of Directors of the Association, for the promotion of the recreation, health, safety and welfare of the residents in the Property, for the improvement, maintenance and repair of the Common Area, for the performance of the obligations and duties of the Association and for other purposes only as specifically provided herein. A portion of the Regular Monthly Assessments shall be set aside or otherwise allocated in a reserve fund for the purpose of providing repair and replacement of the Common Area, and other capital improvements which the Association is required to maintain.

Section 5.4. Maximum Regular Monthly Assessments.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Regular Monthly Assessment on any Lot shall be \$29.00 per Lot.

(b) From and after January 1 of such year, the maximum Regular Monthly Assessment may be increased each calendar year not more than 10% above the maximum Regular Monthly Assessment for the previous year, without a vote of the membership.

(c) From and after January 1 of such year, the maximum Regular Monthly Assessment may be increased each calendar year by more than 10% above the maximum Regular Monthly Assessment for the previous year, with the approval of two-thirds (2/3) of those members of each class of members who cast votes in person or by proxy at a meeting duly called for this purpose.

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(d) The Board of Directors from time to time may fix the Regular Monthly Assessment, without any vote of the membership, at any amount not in excess of the maximum.

Section 5.5. Special Assessments for Capital Improvements and Operating Deficits. In addition to the Regular Monthly Assessments authorized above, the Association may levy a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Association is required to maintain, or to recover any operating deficits which the Association may from time to time incur, provided that any such assessment shall have the assent of two-thirds (2/3) of those members of each class of members who cast votes in person or by proxy at a meeting duly called for this purpose.

Section 5.6. Notice and Quorum for Any Action Authorized Under Section 5.4 and 5.5. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.4 and 5.5 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.7. Uniform Rate of Assessment. Regular Monthly Assessments and Special Assessments for capital improvements and to recover operating deficits must be fixed at a uniform rate for all Lots, except that Declarant and any individual or entity purchasing a Lot or Lots solely for the purpose of construction of a for-sale Dwelling Unit thereon (a "Builder") shall pay only twenty-five percent (25%) of the Regular Monthly Assessments and Special Assessments so long as any Dwelling Unit constructed upon a Lot by Declarant or Builder has not been conveyed to an Owner intending to occupy or rent said Dwelling Unit as a residence or leased to an individual or entity for use as a residence.

Section 5.8. Date of Commencement of Monthly Assessments; Due Dates. The Regular Monthly Assessment provided for herein shall commence as to each Lot on the first day of the first month following the conveyance of the Common Area, if any, to the Association and the recording of the final plat for the section or phase within which a Lot is located. No assessment shall occur on Lots within the Property that are not contained within a recorded final plat. The Board of Directors shall fix any increase in the amount of the monthly assessments at least thirty (30) days in advance of the

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Section 5.7. Uniform Rate of Assessment. Regular Monthly Assessments and Special Assessments for capital improvements and to recover operating deficits must be fixed at a uniform rate for all Lots, except that Declarant and any individual or entity purchasing a Lot or Lots solely for the purpose of construction of a for-sale Dwelling Unit thereon (a "Builder") shall pay only twenty-five percent (25%) of the Regular Monthly Assessments and Special Assessments so long as any Dwelling Unit constructed upon a Lot by Declarant or Builder has not been conveyed to an Owner intending to occupy or rent said Dwelling Unit as a residence or leased to an individual or entity for use as a residence.

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effective date of such increase. Written notice of any increase in the Regular Monthly Assessment, and written notice of any Special Assessment and such other assessment notices as the Board of Directors shall deem appropriate, shall be sent to every Owner subject thereto. The due dates for all assessments, and the assessment and collection period (i.e., annual, monthly, lump-sum or otherwise) for any Special Assessments, shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate in recordable form signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate from the Association regarding the status of assessments for any Lot shall be binding upon the Association as of the date of its issuance.

Section 5.9. Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment (or periodic installment of such assessment, if applicable) is not paid on the due date established therefor pursuant to Section 5.8 hereof, then the entire unpaid assessment (together with interest thereon, costs and attorneys' fees as hereinafter provided and as provided in Section 5.1) shall become delinquent and shall constitute a continuing lien on the Lot to which such assessment relates, binding upon the then Owner, his heirs, devisees, successors and assigns. The personal obligation of the then Owner to pay such assessments, however, shall not pass to such Owner's successors in title unless expressly assumed by them. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, or both. In such event, there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action; and in the event a judgment is obtained such judgment shall include interest on the assessment as above provided, costs of the action and reasonable attorneys' fees to be fixed by the Court. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area owned by the Association or abandonment of his Lot.

Section 5.10. Subordination of the Lien to Mortgages: Sale or Transfer. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot pursuant to the foreclosure of any first mortgage on such Lot (without the necessity of joining the Association in any such foreclosure action) or any proceedings or deed in lieu thereof shall extinguish the lien of all assessments becoming due prior to the date of such sale or transfer. No sale or transfer of any Lot (whether voluntary or pursuant to foreclosure or otherwise) shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof; and, except as hereinabove provided, the sale or transfer of any Lot shall not affect the lien of assessments

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becoming due prior to the date of such sale or transfer except to the extent that a purchaser may be protected against the lien for prior assessments by a binding certificate from the Association, issued pursuant to Section 5.8, as to whether or not such assessments have been paid.

Section 5.11. Declarant's Responsibility to Cover Deficits. The Declarant shall cover any deficit or shortage in the funds necessary to operate the Association that may arise in the development until such time as control of the Association is transferred to the Class A members.

ARTICLE VI

Use Restrictions and Architectural Control

Section 6.1. Lot Use and Conveyance. All Lots shall be used exclusively for single family detached residential purposes, except that Declarant, during the Development Period, reserves (a) the rights provided in Section 6.24 respecting the Property generally, and (b) the right to subdivide, dedicate or otherwise convey or designate all or any portion of any one or more Lots which it may own from time to time for recreational or other common uses and benefit of all Owners and other members of the Association. Any Lot or portion thereof so designated for common use shall become part of the Common Area owned by the Association, and reasonable rules and regulations shall be promulgated and enforced with respect thereto so that the use and enjoyment of adjacent Lots by the Owners thereof shall not be unreasonably disturbed. Except as provided in the Declaration, no Lot shall be subdivided to form units of less area. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the covenants, conditions and restrictions contained herein.

Section 6.2. Architectural Control. No building, fence, wall or other structure, except original construction of Dwelling Units by or on behalf of the Declarant shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change (including exterior paint color) or alteration therein, other than by the Declarant, a Builder or Board of Directors, be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same (where applicable) shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Any change in the appearance or the color of any part of the exterior of a residence shall be deemed a change thereto and shall require the approval therefor as above provided. In the event that written approval is not received as required

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hereunder within thirty (30) days after complete plans and specifications have been submitted, approval will not be required and this Section will be deemed to have been fully complied with.

Section 6.3. Signs. During the Development Period, no "for sale" or other advertising signs of any kind (other than interior window signs) shall be displayed on any Lot without the prior written approval of Declarant. Thereafter, the placement of "for sale" or advertising or other signs of any nature, kind or description anywhere on the Property shall be subject to such reasonable rules and regulations as may be adopted by the Association.

Section 6.4. Home Occupations. No home occupation shall be conducted or maintained on any Lot other than one which is incidental to a business, profession or occupation of the Owner or occupant of any such Lot, and which is generally or regularly conducted in another location away from such Lot.

Section 6.5. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Lots, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes.

Section 6.6. Outside Storage. All clotheslines, equipment, garbage cans, service yards, woodpiles or storage piles shall be kept from view of neighboring homes and streets. All rubbish, trash or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon. Trash may be stored in such enclosed containers, if any, provided by the Association for that purpose. All clotheslines shall be confined to patio areas.

Section 6.7. Outside Use of Lots. Except in an individual patio area appurtenant to a Dwelling Unit, no planting or gardening shall be done, and no fences, hedges, walls or other improvements shall be erected or maintained upon the Property except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association's Board of Directors or their designated representatives. Except for the right of ingress and egress, the Owners of Lots are hereby prohibited and restricted from using any of the Property outside the exterior building lines, patio and carport areas, except as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners of Lots in the HARCOURT SPRINGS subdivision and is necessary for the protection of said Owners.

Section 6.8. Setback Lines. Front Building lines are hereby established as shown on the foregoing plat between which line and the right-of-way lines there shall be erected, placed or altered no structure or part thereof except that fences in keeping with architectural style as specifically approved by the Association Board of Directors

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of Architectural Review Committee will be permitted, except that in no case will such fences be permitted on the public right-of-way. The building lines which are from public right-of-way lines are parallel to and measured perpendicularly from these public right-of-way lines.

Section 6.9. Setbacks. Every building or part thereof shall be so located to conform with the all setbacks provided for in the recorded final plat containing the Lot upon which such building is located, except that in the case where the same person or persons own two adjoining lots not separated by a utility easement or a drainage easement which serves lots beyond the lots owned by the common owner as described above, then this restriction shall apply to the lot lines of the extreme boundaries of the multiple lots under common ownership. Where adjoining lots are owned by the same owner or owners, and the drainage easements or utility easements which may separate those lots are not used to provide drainage or utility services to any area beyond the lots commonly owned, then those easements on the boundary line between the two lots shall be extinguished for so long as the lots are owned by the same owner or owners.

Section 6.10. Temporary Structures and Outbuildings. No structure of a temporary character, tent, shack, basement, garage, barn or other outbuilding shall be erected, placed, or altered upon any lot for use as a residence either temporarily or permanently or at any time be used for such purpose.

Section 6.11. Motor Vehicle Repair and Storage. The repair or storage of inoperative motor vehicles or material alteration of motor vehicles shall not be permitted on any lot unless entirely within a garage permitted to be constructed by these covenants, conditions and restrictions.

Section 6.12. Nuisances. No noxious or offensive activities shall be carried on or be permitted to exist on any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance. Any structure or building permitted to be constructed on any lot by these covenants, which may be all or in part destroyed by fire, wind, storm or any other reason, shall be rebuilt and restored to its previous condition within a reasonable length of time, and all debris accumulated in connection therewith shall be removed within a reasonable time after any such occurrence.

Section 6.13. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except dogs, cats or other animals generally and customarily recognized as household pets, provided they are not kept, bred or maintained for any commercial purpose.

Section 6.14. Permitted Uses. No use shall be made of any lot in this subdivision except as permitted by the regulations of the applicable zoning ordinance under which this project is developed.

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Section 6.15. Drains. No house footing drain or roof water drain shall be discharged into the sanitary sewers.

Section 6.16. Antennas and Towers. No radio towers, CB antennas, satellite dishes or other radio or radar equipment shall be allowed in this subdivision.

Section 6.17. Number of Dwelling Units. The number of Dwelling Units shall not exceed the number of platted lots within the Property.

Section 6.18. Residential Use. Lots may be used only for residential purposes and only for one single-family dwelling, a private garage, and other such outbuildings as are usual and incidental to the use of a residential lot may be constructed thereon. All lots in this subdivision shall be designated as residential lots.

Section 6.19. Unsightly Growth. In order to maintain the standards of the Property, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any land, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. Failure to comply shall warrant the Declarant or the Association to cut weeds or clear the refuse from the Property at the expense of the Owner, and there shall be a lien against said Property for the expense thereof, which lien shall be due and payable immediately. If such lien is not promptly paid, the Association or the Declarant may file suit and recover such amount together with reasonable attorneys fees and costs of collection.

Section 6.20. Site Visibility. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) feet and six (6) feet above the street shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting points twenty-five (25) feet from the intersection of said street lines, or in the case of a rounded property corner from the intersection of the street lines extended. The same sightline limitations shall apply to any lot within ten (10) feet from the intersection of a street line with the edge of a driveway pavement or alley line. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. No fences shall be permitted to be constructed between the front set back line and the street curb.

Section 6.21. Boats, Trucks, Etc. No boats, campers, trailers of any kind, recreational vehicles or commercial vehicles of any kind shall be permitted to park on the Property for more than four (4) hours unless fully enclosed inside a building, or unless the same is necessary and incident to the Declarant's or Association's business on the Property.

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Section 6.22. Water Areas. Access to any water retention or detention area is restricted to the Common Area owned by the Association adjacent to the water detention or retention area, except for those individuals whose Dwelling Units are immediately adjacent to such areas. No individual using these areas has the right to trespass upon shoreline not within a Common Area owned by the Association, subject to the rights of the Declarant, the Association, their employees, heirs, successors and assigns as set forth in the Declaration. No one shall do or permit any action or activity which could result in pollution of any water detention or retention areas, diversion of water, elevation of water level, earth disturbance resulting in silting or any other conduct which could result in an adverse effect upon water quality, drainage or proper water management except as provided in the Declaration. Any such areas may not be used for swimming, boating, fishing or for any other purpose, except for drainage of the Property, unless expressly and specifically approved by the Association Board of Directors in writing and allowed by law. Only the Declarant and the Association shall have the right to store items or develop recreational facilities upon any Common Area owned by the Association adjacent to any water retention or detention area.

Section 6.23. Rules and Regulations. The Board of Directors from time to time may promulgate further rules and regulations concerning the use of Lots and the Common Area owned by the Association. A majority of those Owners voting at a meeting called for the purpose may rescind or modify any rule or regulation adopted by the Board of Directors. Copies of all rules and regulations shall be furnished by the Board to all Owners, at the Owner's last known address, prior to the time when the same shall become effective. The Association shall have current copies of the Declaration, Articles and By-Laws, and other rules concerning the Property as well as its own books, records and financial statements available for inspection by Dwelling Unit Owners or by holders, insurers and guarantors of first mortgages, that are secured by Dwelling Units in the Property. These documents shall be available during normal business hours or under other reasonable circumstances.

Section 6.24. Development and Sale Period. Nothing contained in this Article VI shall be construed or interpreted to restrict the activities of Declarant or a Builder in connection with the development of the Property and sale of Lots. During the Development Period, Declarant or a Builder shall be entitled to engage in such activities and to construct, install, erect and maintain such facilities, upon any portion of the Property at any time owned or leased by Declarant or a Builder, as in the sole opinion of Declarant or a Builder may be reasonably required, or convenient or incidental to, the development of the Property and sale of the lots; such facilities may include, without limitation, storage areas, signs, parking areas, model residences, construction offices, sales offices and business offices.

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ARTICLE VII

Maintenance, Repairs and Replacements

Section 7.1. By Owners. Except as provided in Section 7.2(b) of this Article, each Owner shall, at his own expense be responsible for, and shall promptly perform as the need therefor arises, all maintenance, repairs, decoration and replacement of his own Dwelling Unit, both interior and exterior. In addition, each Owner shall furnish and be responsible for the maintenance of all portions of his Lot, except (a) for such portions thereof as may, in accordance with the terms of this Declaration, be designated as part of the Common Area solely for purposes of maintenance only and (b) maintenance of other items as provided in Section 7.2 below. All fixtures and equipment installed within or as part of the Dwelling Unit, commencing at the points where the utility lines, pipes, wires, conduits or systems enter the Lot upon which said Dwelling Unit is located, shall be maintained and kept in repair by the Owner thereof. Each Owner shall promptly perform all maintenance and repair of his Lot and Dwelling Unit which, if neglected, might adversely affect any other Lot or Dwelling Unit or any part of the Common Area owned by the Association. Such maintenance and repairs include, but are not limited to, all exterior surface, siding, roof, gutters, internal water lines, plumbing, electric lines gas lines, appliances, and all other fixtures, equipment and accessories belonging to the Owner and a part of or appurtenant to his Dwelling Unit or Lot.

Section 7.2. Common Properties and Lawns by the Association.

(a) The Association, as part of its duties, and as part of the Common Expenses, shall provide for:

(i) Maintenance of the lawns, which shall be considered part of the Common Area for purposes of maintenance only. Maintenance of lawns shall include, but shall not be limited to, fertilizing, mowing and replanting when necessary of the grass; and the care, fertilizing, trimming, removal and replacement of trees planted by the Declarant, or Builder of a Dwelling Unit. It shall not include the care and maintenance of shrubs, trees which were not planted by Declarant or Builder of a Dwelling Unit, flowers or other plants on any Lot. It shall not include watering the lawns, which shall be the particular Owner's responsibility.

(ii) Maintenance of the Entry Signs and perimeter landscaping installed by the Declarant.

The Board of Directors may adopt such other rules and regulations concerning maintenance, repair, use and enjoyment of the Common Area

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owned by the Association (or items deemed Common Area for purposes of maintenance only) as it deems necessary.

(b) Notwithstanding any obligation or duty of the Association to repair or maintain any of the Common Area owned by the Association (or items deemed Common Area for purposes of maintenance only), if, due to the willful, intentional or negligent acts or omissions of an Owner or a member of his family or of a guest, tenant, invitee or other occupant or visitor of such Owner, damage shall be caused to the Common Area owned by the Association (or items deemed as such for purposes of maintenance only), or if maintenance, repairs or replacements shall be required thereby which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, unless such loss is covered by the Association's insurance with such policy having a waiver of subrogation clause. If not paid by such Owner upon demand by the Association, 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.

(c) The authorized representatives of the Association, the Board of Directors and the Managing Agent for the Association (if any) is hereby granted an easement for access upon and to any Lot as may be required in connection with maintenance only, repairs or replacements of or to the Common Area owned by the Association and items deemed as Common Area for purposes of maintenance only, including, but not limited to, access to any easements reserved by any subdivision plat of any portion of the Property for such purposes. This easement shall include, but not be limited to, the right to attach hoses to an Owner's Unit for the purpose of using the Owner's water to water the Owner's lawn or perimeter landscaping installed by the Declarant. The Association is not obligated to water an Owner's Lot but has the right to do so when, in the the Board of Director's or Managing Agent's discretion, the Unit Owner's failure to properly water has or will have a detrimental effect upon the appearance of the lawn. The Owner shall be responsible for the water bill in all such instances.

Section 7.3. Snow Removal and Other Work. The Association may, at the sole discretion of the Board of Directors, perform snow removal for Owners. Snow removal, if any, shall be limited to the driveways and service walks. It shall not include patios, porches, entries or steps.

The Association is not prohibited from providing other services to Owners upon the following conditions:

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(a) The Owner is charged a reasonable fee for such maintenance work that is designed to reimburse the Association for the full cost thereof;

(b) The Association is willing to perform similar work for any other Owners in HARCOURT SPRINGS;

(c) There shall be no discrimination among the Owners in the performance of any such work.

Such services may be provided by the Association, subject to the above conditions, at the sole discretion of the Board of Directors.

ARTICLE VIII

Insurance

Section 8.1. Casualty Insurance on Insurable Common Area. The Association shall keep all insurable improvements and fixtures of the Common Area actually owned by the Association, as opposed to property designated as Common Area for the purposes of maintenance only, insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as are customarily covered for similar types of projects, including those covered by the standard "all risk" endorsements. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to such Common Area owned by the Association shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Regular Monthly Assessments made by the Association.

Section 8.2. Casualty Insurance on All Dwelling Units. Casualty insurance on the Dwelling Units shall be maintained by their respective Owners along with adequate blanket casualty and fire insurance in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of the Dwelling Unit. The insurance coverage with respect to the Dwelling Units shall be written in the name of, and the proceeds thereof shall be payable to the Owner and, if applicable, the first mortgagee of each Lot. The Owner shall repair or replace the same from the insurance proceeds available as soon as possible and in no event more than one (1) year from the date of casualty. The Owner shall immediately provide the Association with a certificate of insurance, evidencing compliance with the above

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requirements, when the insurance is initially obtained and upon each renewal.

Section 8.3. Liability Insurance. The Association shall purchase a master comprehensive general liability insurance policy in such amount or amounts as the Board of Directors shall deem appropriate from time to time. Such comprehensive general liability insurance policy shall cover the Association, its Board of Directors, any committee or organ of the Association or Board of Directors, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the Association. It shall also cover all Common Area owned by the Associations, public ways and any other areas under the Association's control or supervision.

Section 8.4. Fidelity Bonds. The Association shall have blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The Association bonds shall name the Association as the obligee and the premium shall be paid as a common expense by the Association. Any management agent that handles funds for the Association shall be covered by its own fidelity bond, which must provide the same coverage required of the Association. The Association shall be named as an additional obligee in the management agent's bond. The fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' assessments on all Dwelling Units in the Property, plus the Association's reserve funds. If available, the fidelity bonds must include a provision that calls for ten (10) days' written notice to the Association or insurance trustee before the bond can be cancelled or substantially modified for any reason.

Section 8.5. Miscellaneous Insurance Provisions. The Association shall obtain any other insurance required by law to be maintained, including but not limited to workmen's compensation insurance, and such other insurance as the Board of Directors shall from time to time deem necessary, advisable or appropriate. Such insurance coverage shall also provide for and cover cross liability claims of one insured party against another insured party. Such insurance shall inure to the benefit of the Association, its Board of Directors and any managing agent acting on behalf of the Association.

Section 8.6. Casualty and Restoration. Damage to or destruction of any Common Area actually owned by the Association due to fire or any other casualty or disaster shall be promptly repaired and reconstructed by the Association and the proceeds of insurance, if any, shall be applied for that purpose. The same obligation shall apply to an Owner for damage or destruction to the Owner's Dwelling Unit. For purposes of this Section, repair, reconstruction and restoration shall mean construction or rebuilding of the damaged property to as

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near as possible the same condition as it existed immediately prior to the damage or destruction, with the same or a similar type of architecture.

Section 8.7. Insufficiency of Insurance Proceeds. If the insurance proceeds received by the Association as a result of any such fire or any other casualty or disaster are not adequate to cover the cost of repair and reconstruction, or in the event there are no insurance proceeds, the cost for restoring the damage and repairing and reconstructing the Common Area actually owned by the Association or any improvements damaged or destroyed (or the costs thereof in excess of insurance proceeds received, if any) shall be paid by the Association which shall then have the right to levy a special assessment against all Lots for such deficiency.

Section 8.8. Surplus of Insurance Proceeds. In the event that there is any surplus of insurance proceeds after the reconstruction or repair of the damage has been fully completed and all costs paid, such sums may be retained by the Association as a reserve or may be used in the maintenance and operation of the Property. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against any Owner for committing willful or malicious damage.

ARTICLE IX

Mortgagees

Section 9.1. Mortgagee Rights. In addition to any other rights provided elsewhere in this Declaration to mortgagees, any lender or lenders holding a first mortgage or first mortgages upon any Lot or Lots, jointly or singly, may pay any real estate taxes or other taxes or charges which are in default and which may or have become a charge or lien against any Common Area owned by the Association or any other property owned by the Association; and may pay any overdue premiums on any hazard, casualty, liability or other insurance policies or secure new insurance coverage on the lapse of any policies for any such property owned by the Association or covering any property for which the Association has an obligation to maintain insurance coverage. Any such lender or lenders making payments in accordance with this Section 9.1 shall be entitled to immediate reimbursement therefor from the Association along with any costs incurred, including reasonable attorneys' fees.

Section 9.2. Notice to Mortgagees. The Association, upon request, shall provide to any lender holding a first mortgage upon any Lot, a written certificate or notice specifying unpaid assessments and other defaults of the Owner of such Lot, if any, in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation of the Association, its By-Laws or any

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other applicable documents, which default has not been cured within sixty (60) days. A reasonable charge maybe made by the Association for the issuance of any such certificate or notice, and any such certificate properly executed by an officer of the Association shall be binding upon the Association, as provided in Section 5.8.

Section 9.3. Condemnation and Insurance Awards. No provisions of this Declaration, or any amendment thereto, shall give an Owner, or any other party, priority over any rights of the first mortgagee of a Lot pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Area property.

Section 9.4. Right of First Refusal. Any "right of first refusal" in the Declaration, Association Articles, Association By-Laws or any other document governing the development and administration of the Property will not impair the rights of a first mortgagee to:

(a) Foreclose or take title to a Dwelling Unit, and the Lot upon which the Dwelling Unit is situated, pursuant to the remedies in the mortgage;

(b) Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor; or

(c) Sell or lease a unit acquired by the mortgagee.

Section 9.5. Unpaid Dues or Charges. Any first mortgagee who obtains title to a Dwelling Unit, and the Lot upon which the Dwelling Unit is situated, pursuant to the remedies in the mortgage or through foreclosure, will not be liable for the Dwelling Unit's unpaid dues or charges accrued before the acquisition of the title to the Unit by the mortgagee.

ARTICLE X

Contraction

Section 10.1. Property Subject to Contraction by Declarant. Declarant reserves the right to reduce the amount of the Property subject to this Declaration as amended without the consent of the Owners, or any other party within seven (7) years from the recordation date of the Declaration. The Declarant may not withdraw any part of the Property otherwise subject to this Declaration after it has become a part of a final recorded plat.

Section 10.2. Contraction Document. Contraction shall be by written document including, but not necessarily limited to, the following information:

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- (a) A description of the property to be removed from the Declaration;
- (b) The identity of the Declarant;
- (c) The effective date of contraction if other than the date of recording;
- (d) A cross-reference to this Declaration, as amended; and
- (e) Any other information which the Declarant may deem necessary to identify the area removed from the Declaration.

ARTICLE XI

General Provisions

Section 11.1. Right of Enforcement. In the event of a violation, or threatened violation, of any of the covenants, conditions and restrictions herein enumerated, Declarant, the Association or any Owner and all parties claiming under them shall have the right to enforce the covenants, conditions and restrictions contained herein, and pursue any and all remedies, at law or in equity, available under applicable Indiana law, with or without proving any actual damages, including the right to secure injunctive relief or secure removal by due process of any structure not in compliance with the covenants, conditions and restrictions contained herein, and shall be entitled to recover reasonable attorneys' fees and the costs and expenses incurred as a result thereof.

Section 11.2. Severability and Waiver. Invalidation of any one of the covenants, restrictions or provisions contained in this Declaration by judgment or court order shall not in any way affect any of the other provisions hereof, which shall remain in full force and effect. No delay or failure by any person to enforce any of the restrictions or to invoke any available remedy with respect to a violation or violations thereof shall under any circumstances be deemed or held to be a waiver by that person of the right to do so thereafter, or as estoppel of that person to assert any right available to him upon the occurrence, recurrence or continuation of any violation or violations of the restrictions.

Section 11.3. Amendment. Subsequent to the first conveyance of a lot to someone other than the Declarant, this Declaration may be amended at anytime by the Declarant. After the conveyance of the first lot to someone other than the Declarant and for the first twenty (20) years following its recordation, this Declaration may be amended or modified at any time by an instrument recorded in the Office of the Recorder of Marion County, Indiana, which has been approved and signed by at least ninety percent (90%) of the then

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Owners, and thereafter by an instrument signed by at least seventy-five percent (75%) of the then Owners. Provided, however, that none of the rights or duties of Declarant reserved or set out hereunder may be amended or changed without Declarant's prior written approval. Except as prohibited below, this Declaration may also be amended by Declarant, if it then has any ownership interest in the Property, at any time within two (2) years after the recordation hereof. Any amendment must be recorded. Neither the Association, the Owners or Declarant shall effect any of the following changes without the prior written approval of two-thirds (2/3) of the first mortgagees of the Lots (based upon one (1) vote for each mortgage owned) and two-thirds (2/3) of the Owners of Lots (excluding Declarant or Builder):

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned directly or indirectly by the Association for the benefit of the Owners of the Dwelling Units. The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area owned by the Association by the Dwelling Unit Owners is not a transfer in the meaning of this clause;

(b) Change the method of determining the obligations, assessments, dues or other charges that may be levied against a Dwelling Unit Owner;

(c) By act or omission change, waive or abandon any scheme of regulations or their enforcement pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the Common Area owned by the Association, party walks, common fences and driveways, and the upkeep of lawns and plantings in the Property;

(d) Fail to maintain fire and extended coverage on insurable Common Area owned by the Association on a current replacement cost basis in an amount at least 100 percent of the insurable value (based on current replacement costs);

(e) Use hazard insurance proceeds for losses to any Common Area owned by the Association for other than the repair, replacement, or reconstruction of the Common Area owned by the Association.

(f) Change the voting rights, assessments, assessment liens or subordination of assessment liens, except as provided for in this Declaration;

(g) Change the the manner in which reserves for maintenance, repair and replacement of Common Areas have been set up and previously maintained by the Association;

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(h) Change the rights to the use of the Common Area owned by the Association, except as provided for in this Declaration;

(i) Change the boundaries of any Dwelling Unit, and the Lot upon which the Dwelling Unit is situated, except as provided for in this Declaration;

(j) Any change concerning convertibility of Dwelling Units into Common Area owned by the Association or vice versa, except as provided for in this Declaration;

(k) Allow for the expansion or contraction of the development, or the addition, annexation or withdrawal of property to or from the development, except as provided for in this Declaration;

(l) Any requirements for insurance or fidelity bonds set forth in this Declaration;

(m) Any change in the manner in which units may be leased except as set forth in this Declaration;

(n) Any imposition of any restriction on a Dwelling Unit Owner's right to sell or transfer his or her Dwelling Unit;

(o) Restoration and repair of the Common Area (after a hazard damage or partial condemnation) in a manner other than specified in the Declaration;

(p) Any action to terminate the legal status of the development after substantial destruction or condemnation occurs;

(q) Any provision that expressly benefits mortgage holders, insurers or guarantors; or

(r) Any termination of legal status of the development for reasons other than substantial destruction or condemnation of the Property.

If an addition or amendment is not considered as a material change, such as the correction of a technical error or the clarification of a statement within the Declaration, Association Articles, Association By-Laws or other constituent documents, there shall be an implied approval to be assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after proposal is made. The covenants, restrictions and all other provisions of this Declaration shall run with the land and shall be binding upon the persons owning any portion of the Property and all parties claiming under them for a period of twenty (20) years from the date of recollection, and thereafter shall automatically extend for successive periods of ten (10) years each unless

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prior to the expiration of such ten-year period this Declaration is amended or changed in whole or in part as hereinabove provided.

Section 11.4. Assessment. Declarant may assign or otherwise transfer any and all of its rights as Declarant.

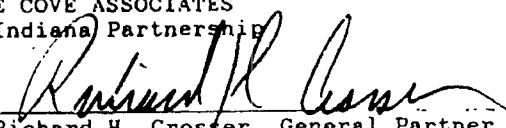
Section 11.5. Condemnation, Destruction or Liquidation. The Association shall be designated to represent the Dwelling Unit Owners in any proceedings, negotiations, settlements or agreements for the handling of any losses or proceeds from condemnation, destruction or liquidation of all or a part of the Common Area owned by the Association, or from the termination of the development. Each Dwelling Unit Owner, by his acceptance of a deed, appoints the Association as his attorney-in-fact for this purpose. Proceeds from the settlement will be payable to the Association for the benefit of the Dwelling Unit Owners and their mortgage holders. Any distribution of funds in connection with the termination of this development shall be made on a reasonable and an equitable basis.

Section 11.6. Incorrect Cross-reference. Should a cross-reference within the Declaration be incorrect, it shall be deemed automatically amended to include the appropriate cross-reference.

IN WITNESS WHEREOF, EAGLE COVE ASSOCIATES, an Indiana Partnership, has caused this Declaration to be executed as of the date first written above.

EAGLE COVE ASSOCIATES
an Indiana Partnership

By:


Richard H. Crosser, General Partner

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A part of the Northeast Quarter of the Northwest Quarter of Section 28, Township 17 North, Range 3 East, In Marion County, State of Indiana, more particularly described as follows:

From the Northwest Corner of Section 28; thence North 89 degrees 28 minutes 30 seconds East, on and along the North line of the Northwest Quarter of said Section 28, a distance of 1336.60 feet to the Northwest Corner of the Northeast Quarter of the Northwest Quarter of said Section 28, said point being the Point of Beginning.

From the Point of beginning, North 89 degrees 28 minutes 30 seconds East, on and along the North line of the Northeast Quarter of the Northwest Quarter of said Section 28, a distance of 1336.60 feet to the Northeast Corner of said Quarter Section; thence South 00 degrees 00 minutes 00 seconds West on and along the East line of the Northeast Quarter of the Northwest Quarter of said Section 28, a distance of 988.69 feet to a point; thence South 85 degrees 15 minutes 30 seconds West, a distance of 117.96 feet to a point; thence South 11 degrees 07 minutes 40 seconds West, a distance of 24.95 feet to a point; thence South 87 degrees 17 minutes 10 seconds West, a distance of 460.86 feet to a point; thence North 01 degrees 33 minutes 50 seconds East, a distance of 110.79 feet to a point; thence North 10 degrees 40 minutes 55 seconds West, a distance of 123.36 feet to a point; thence North 54 degrees 02 minutes 50 seconds West, a distance of 29.74 feet to a point; thence North 09 degrees 12 minutes 45 seconds West, a distance of 180.76 feet to a point; thence North 72 degrees 44 minutes 50 seconds West, a distance of 188.60 feet to a point; thence South 74 degrees 40 minutes 35 seconds West, a distance of 87.76 feet to a point; thence South 19 degrees 41 minutes 15 seconds West, a distance of 82.96 feet to a point; thence South 02 degrees 26 minutes 40 seconds East, a distance of 115.92 feet to a point; thence South 80 degrees 38 minutes 05 seconds West, a distance of 124.74 feet to a point; thence South 89 degrees 39 minutes 10 seconds West, a distance of 270.14 feet to a point; thence North 00 degrees 00 minutes 00 seconds East, a distance of 787.75 feet to the Point of Beginning.

LESS: A part of the Northeast Quarter of the Northwest Quarter of Section 28, Township 17 North, Range 3 East, Marion County, Indiana, described as follows: Commencing at the Northeast corner of said quarter section; thence South 00 degrees 30 minutes 30 seconds West (assumed bearing) 30.00 feet along the East line of said quarter section; thence South 90 degrees 00 minutes 00 seconds West 35.00 feet to the point of beginning of this description, which point is at the intersection of the South boundary of 79th Street and the West boundary of Harcourt Road; thence South 00 degrees 30 minutes 30 seconds West 659.69 feet along said West boundary; thence North 89 degrees 29 minutes 30 seconds West 10.00 feet; thence North 00 degrees 30 minutes 30 seconds East 600.00 feet; thence North 51 degrees 07 minutes 26 seconds West 63.09 feet; thence South 90 degrees 00 minutes 00 seconds West 205.00 feet; thence North 88 degrees 34 minutes 04 seconds West 400.12 feet; thence South 90 degrees 00 minutes 00 seconds West 300.00 feet; thence North 00 degrees 00 minutes 00 seconds East 20.00 feet to said South boundary; thence North 90 degrees 00 minutes 00 seconds East 964.73 feet along the South boundary to the point of beginning.

But excepting therefrom the following described real estate:

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PARCEL 1

A part of the Northeast Quarter of the Northwest Quarter of Section 28, Township 17 North, Range 3 East, Marion County, Indiana, more particularly described as follows:

Commencing at the Northwest corner of the Northwest Quarter of Section 28, Township 17 North, Range 3 East; thence North 89 degrees 28 minutes 30 seconds East on and along the North line of said Section a distance of 2063.00 feet to the POINT OF BEGINNING; thence continuing North 89 degrees 28 minutes 30 seconds East along said North line a distance of 609.36 feet to the Northeast corner of said Quarter Section; thence South 00 degrees 00 minutes 00 seconds West (assumed bearing) along the East line of said Quarter Section a distance of 988.09 feet; thence South 85 degrees 15 minutes 30 seconds West a distance of 117.96 feet; thence South 11 degrees 07 minutes 40 seconds West a distance of 24.95 feet; thence South 87 degrees 17 minutes 10 seconds West a distance of 353.47 feet; thence North 30 degrees 08 minutes 45 seconds East a distance of 200.59 feet to a point on a curve concave northeasterly, the radius point of said curve being North 30 degrees 08 minutes 45 seconds East a distance of 75.00 feet from said point, thence Northwesterly along said curve 37.90 feet to the point of tangency of said curve, the radius point of said curve being North 59 degrees 06 minutes 00 seconds East a distance of 75.00 feet from said point; thence North 39 degrees 54 minutes 00 seconds West a distance of 31.48 feet; thence North 59 degrees 06 minutes 00 seconds East a distance of 101.57 feet; thence North 30 degrees 54 minutes 00 seconds West a distance of 93.00 feet; thence North 09 degrees 29 minutes 44 seconds West a distance of 212.66 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 163.25 feet; thence South 89 degrees 28 minutes 30 seconds West a distance of 263.00 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 67.00 feet; thence North 09 degrees 28 minutes 30 seconds East a distance of 71.30 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 237.00 feet to the place of beginning containing in all 10.912 acres more or less.

EXCEPT.

Land granted by Warranty Deed, Instrument Number 87-49466 dated May 4, 1987, land purchased for right-of-way for Department of Transportation Project Number ST-03-025; more particularly described as follows:

A part of the Northeast Quarter of the Northwest Quarter of Section 28, Township 17 North, Range 3 East in Marion County, Indiana described as follows

Commencing at the Northeast corner of said Quarter Section; thence South 00 degrees 00 minutes 00 seconds West (assumed bearing) 30.00 feet along the East line of said Quarter Section; thence South 89 degrees 28 minutes 30 seconds West 35.00 feet to the POINT OF BEGINNING of this description, which point is at the intersection of the South Boundary of 79th Street and the West Boundary of Harcourt Road; thence South 00 degrees 00 minutes 00 seconds West 669.89 feet along the West Boundary; thence South 89 degrees 28 minutes 30 seconds West 10.00 feet; thence North 00 degrees 00 minutes 00 seconds East 600.00 feet; thence North 51 degrees 37 minutes 56 seconds West 63.09 feet; thence South 89 degrees 28 minutes 30 seconds West 205.00 feet; thence North 89 degrees 04 minutes 56 seconds West 309.38 feet; thence North 00 degrees 31 minutes 30 seconds West 22.29 feet to said South Boundary; thence North 89 degrees 28 minutes 30 seconds East 574.02 feet along said South Boundary to the Point of Beginning containing 0.538 acre more or less subject to all legal highways, rights-of way and easements of record. and

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PARCEL 2

A part of the Northeast Quarter of the Northwest Quarter of Section 28,
Township 17 North, Range 3 East, Marion County, Indiana, more particularly
described as follows:

Commencing at the Northwest corner of the Northwest Quarter of Section 28,
Township 17 North, Range 3 East; thence North 89 degrees 20 minutes 30 seconds
East on and along the North line of said Section a distance of 2063.90 feet to
the POINT OF BEGINNING; thence South 89 degrees 20 minutes 30 seconds West on
and along the North line of said section a distance of 337.30 feet; thence
South 00 degrees 31 minutes 30 seconds East 632.62 feet; thence North 19
degrees 41 minutes 15 seconds East 40.07 feet; thence North 74 degrees 40
minutes 35 seconds East 87.76 feet; thence South 72 degrees 44 minutes 50
seconds East 188.60 feet; thence South 09 degrees 12 minutes 45 seconds East
180.76 feet; thence South 54 degrees 02 minutes 50 seconds East 29.74 feet;
thence South 10 degrees 40 minutes 55 seconds East 123.36 feet; thence South
01 degrees 33 minutes 50 seconds West 110.79 feet; thence North 87 degrees 17
minutes 10 seconds East 107.39 feet; thence North 30 degrees 00 minutes 45
seconds East a distance of 200.59 feet to a point on a curve concave
northeasterly, the radius point of said curve being North 30 degrees 00
minutes 45 seconds East a distance of 75.00 feet from said point, thence
Northwesterly along said curve 37.96 feet to the point of tangency of said
curve, the radius point of said curve being North 59 degrees 08 minutes 00
seconds East a distance of 75.00 feet from said point; thence North 30 degrees
54 minutes 00 seconds West a distance of 31.48 feet; thence North 59 degrees
06 minutes 00 seconds East a distance of 101.57 feet; thence North 30 degrees
54 minutes 00 seconds West a distance of 93.09 feet; thence North 09 degrees
29 minutes 44 seconds West a distance of 212.06 feet; thence North 00 degrees
31 minutes 30 seconds West a distance of 163.25 feet; thence South 89 degrees
28 minutes 30 seconds West a distance of 263.00 feet; thence North 00 degrees
31 minutes 30 seconds West a distance of 67.00 feet; thence North 89 degrees
28 minutes 30 seconds East a distance of 71.30 feet; thence North 00 degrees
31 minutes 30 seconds West a distance of 237.00 feet to the place of beginning
containing in all 7.804 acres more or less.

EXCEPT:

Land granted by Warranty Deed, Instrument Number 87-49400 dated May 4, 1987,
Land purchased for right-of-way for Department of Transportation Project
Number ST-03-025; more particularly described as follows:

Commencing at the Northwest corner of the Northwest Quarter of Section 28,
Township 17 North, Range 3 East; thence North 89 degrees 20 minutes 30 seconds
East on and along the North line of said Section a distance of 2063.90 feet;
thence South 00 degrees 31 minutes 30 seconds East 30.00 feet to the POINT OF
BEGINNING; thence South 00 degrees 31 minutes 30 seconds East 22.29 feet;
thence South 89 degrees 04 minutes 56 seconds West 98.74 feet; thence South 83
degrees 28 minutes 30 seconds West 248.59 feet; thence North 00 degrees 31
minutes 30 seconds West 20.00 feet; thence North 89 degrees 20 minutes 30
seconds East 337.30 feet to the Place of Beginning containing 0.157 acre more
or less subject to all legal highways, rights-of-way and easements of record.

EXHIBIT "B"
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PARCEL 1:

A part of the Northeast Quarter of the Northwest Quarter of Section 26, Township 17 North, Range 3 East, Marion County, Indiana, more particularly described as follows:

Commencing at the Northwest corner of the Northwest Quarter of Section 26, Township 17 North, Range 3 East; thence North 89 degrees 28 minutes 30 seconds East on and along the North line of said Section a distance of 2063.90 feet to the Point of Beginning; thence continuing North 89 degrees 28 minutes 30 seconds East along said North line a distance of 609.30 feet to the Northeast corner of said Quarter Section; thence South 00 degrees 00 minutes 00 seconds West (assumed bearing) along the East line of said Quarter Section a distance of 988.69 feet; thence South 85 degrees 15 minutes 30 seconds West a distance of 117.96 feet; thence South 11 degrees 07 minutes 40 seconds West a distance of 24.95 feet; thence South 87 degrees 17 minutes 10 seconds West a distance of 353.47 feet; thence North 30 degrees 00 minutes 45 seconds East a distance of 200.59 feet to a point on a curve concave Northeastly, the radius point of said curve being North 30 degrees 00 minutes 45 seconds East a distance of 75.00 feet from said point, thence Northwestly along said curve 37.90 feet to the point of tangency of said curve, the radius point of said curve being North 59 degrees 00 minutes 00 seconds East a distance of 75.00 feet from said point; thence North 30 degrees 54 minutes 00 seconds West a distance of 31.48 feet; thence North 59 degrees 06 minutes 00 seconds East a distance of 101.57 feet; thence North 30 degrees 54 minutes 00 seconds West a distance of 93.09 feet; thence North 09 degrees 29 minutes 44 seconds West a distance of 212.66 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 163.25 feet; thence South 89 degrees 28 minutes 30 seconds West a distance of 263.00 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 67.00 feet; thence North 89 degrees 28 minutes 30 seconds East a distance of 71.30 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 237.00 feet to the place of beginning.

EXCEPT:

Land granted by Warranty Deed, Instrument Number 87-49100 dated May 4, 1987, land purchased for right-of-way for Department of Transportation Project Number ST-03-025; more particularly described as follows:

A part of the Northeast Quarter of the Northwest Quarter of Section 26, Township 17 North, Range 3 East, Marion County, Indiana, described as follows:

Commencing at the Northeast corner of said Quarter Section; thence South 00 degrees 00 minutes 00 seconds West (assumed bearing) 30.00 feet along the East line of said Quarter Section; thence South 89 degrees 28 minutes 30 seconds West 35.00 feet to the Point of Beginning of this description, which point is at the intersection of the South Boundary of 79th Street and the West Boundary of Harrowl Road; thence South 00 degrees 00 minutes 00 seconds West 669.69 feet along the West Boundary; thence South 89 degrees 28 minutes 30 seconds West 10.00 feet; thence North 00 degrees 00 minutes 00 seconds East 600.00 feet; thence North 51 degrees 37 minutes 56 seconds West 63.09 feet; thence South 89 degrees 28 minutes 30 seconds West 205.00 feet; thence North 89 degrees 04 minutes 56 seconds West 309.30 feet; thence North 00 degrees 31 minutes 30 seconds West 22.29 feet to said South Boundary; thence North 89 degrees 28 minutes 30 seconds East 574.02 feet along said South Boundary to the Point of Beginning.

PARCEL 2:

A part of the Northeast Quarter of the Northwest Quarter of Section 28, Township 17 North, Range 3 East, Marion County, Indiana, more particularly described as follows:

Commencing at the Northwest corner of the Northwest Quarter of Section 28, Township 17 North, Range 3 East, thence North 89 degrees 28 minutes 30 seconds East on and along the North line of said Section a distance of 2063.90 feet to the Point of Beginning; thence South 89 degrees 28 minutes 30 seconds West on and along the North line of said section a distance of 337.30 feet; thence South 00 degrees 31 minutes 30 seconds East 632.62 feet; thence North 19 degrees 41 minutes 15 seconds East 60.67 feet; thence North 74 degrees 40 minutes 35 seconds East 87.76 feet; thence South 72 degrees 44 minutes 50 seconds East 188.60 feet; thence South 09 degrees 12 minutes 45 seconds East 180.76 feet; thence South 54 degrees 02 minutes 50 seconds East 29.74 feet; thence South 10 degrees 40 minutes 55 seconds East 123.36 feet; thence South 01 degrees 33 minutes 50 seconds West 110.79 feet; thence North 87 degrees 17 minutes 10 seconds East 107.35 feet; thence North 30 degrees 08 minutes 45 seconds East a distance of 200.59 feet to a point on a curve concave Northeasterly, the radius point of said curve being North 30 degrees 08 minutes 45 seconds East a distance of 75.00 feet from said point, thence Northwesterly along said curve 37.90 feet to the point of tangency of said curve, the radius point of said curve being North 59 degrees 06 minutes 00 seconds East a distance of 75.00 feet from said point; thence North 30 degrees 54 minutes 00 seconds West a distance of 31.48 feet; thence North 59 degrees 06 minutes 00 seconds East a distance of 101.57 feet; thence North 30 degrees 54 minutes 00 seconds West a distance of 93.09 feet; thence North 09 degrees 29 minutes 44 seconds West a distance of 212.66 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 163.25 feet; thence South 09 degrees 28 minutes 30 seconds West a distance of 263.00 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 67.00 feet; thence North 89 degrees 28 minutes 30 seconds East a distance of 71.30 feet; thence North 00 degrees 31 minutes 30 seconds West a distance of 227.00 feet to the place of beginning.

EXCEPT:

Land granted by Warranty Deed, Instrument Number 87-49400 dated May 4, 1987, land purchased for right-of-way for Department of Transportation Project Number ST-05-025; more particularly described as follows:

Commencing at the Northwest corner of the Northwest Quarter of Section 28, Township 17 North, Range 3 East; thence North 89 degrees 28 minutes 30 seconds East on and along the North line of said Section a distance of 2063.90 feet; thence South 00 degrees 31 minutes 30 seconds East 30.00 feet to the Point of Beginning; thence South 00 degrees 31 minutes 30 seconds East 22.29 feet; thence South 89 degrees 04 minutes 56 seconds West 90.74 feet; thence South 09 degrees 28 minutes 30 seconds West 246.59 feet; thence North 00 degrees 31 minutes 30 seconds West 20.00 feet; thence North 89 degrees 28 minutes 30 seconds East 337.30 feet to the Place of Beginning.

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